

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 27, 1933

"WESTERN
AND
SOUTHERN
GROUP"

THE WESTERN AND SOUTHERN INDEMNITY COMPANY

POLICYHOLDERS SURPLUS - - - - \$1,506,656.98

All Securities Valued at Market December 31, 1932

THE WESTERN AND SOUTHERN FIRE INSURANCE COMPANY

POLICYHOLDERS SURPLUS - - - - \$493,330.74

All Securities Valued at Market December 31, 1932

CHARLES F. WILLIAMS, President

Cincinnati, Ohio

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The National Underwriter

Thirty-Seventh Year—No. 17

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 27, 1933

\$4.00 Per Year, 20 Cents a Copy

Slam at New Loss Policy Resented

Company Spokesman Hits Illinois Agents for Attack on Adjustment Delay

CITES DROP IN FIRES

Charges Agents' Association Loses Perspective in Adopting Resolution—Attempts to Build Backfire

The resolution adopted by the Illinois Association of Insurance Agents calling upon the companies to modify the 60-day loss payment policy in meritorious cases has drawn the fire of company executives. The New York "Journal of Commerce" printed a prepared statement by an unidentified company executive on this subject.

That official expressed the belief that the resolution was prompted by a few agents and does not reflect the views of the association as a whole. He said that the association, in adopting the resolution, lost its perspective and resolved against the interest of its own members and of the business.

Reduction in Losses

This action, the official stated, is apparently an attempt to build a backfire against the best interests of the business with respect to the companies exercising the rights under their policies to defer payment of losses and to sacrifice a system which will be beneficial to the honest policyholder. He said there was nothing in the resolution about the reduction of losses because of the 60 day clause.

The executive also touches on the resolution, which condemns the policy of not paying commissions in connection with the rejected risk plan, which is being projected in Illinois. The official points out that the agents are perfectly willing to have the companies write this business with no prospect of profit but complain when the profit is taken out of it for them.

Cite Bennett's Position

Some company executives in commenting on the loss payment resolution of the Illinois agents, point out that W. H. Bennett, secretary of the National Association of Insurance Agents, came out recently in favor of the 60 day loss payment clause, saying: "It is one of the backbones of the insurance contract that was a victim to the mad competitive scramble through which the insurance business has passed."

Company men, therefore, say that the Illinois memorial is out of tune with the principles of the National association, as enunciated by Mr. Bennett.

It is understood that the factor of mutual competition was one of the considerations that prompted the Illinois resolution. One downstate agent told

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What Inflation Will Do to Insurance Companies

By JOHN F. WOHLGEMUTH
Secretary The National Underwriter

Newspaper reports are that Senator Reed of Pennsylvania, who sent out a rallying cry for the support of the country against inflation, got replies which ran nine out of ten in favor of inflation. Gold inflation, which seems to be assured, contains no threats for insurance companies. Paper inflation in Germany wiped out insurance companies as well as banks and all other creditors, but gold inflation is merely a change to another price level. Company liabilities will remain the same, but inflation will make their assets solid. Gold inflation will put the troublesome "convention valuations" of assets in the discard. Within a month after the new value of gold is proclaimed the financial

troubles of the companies will be improved. In addition, insurance will share in the general prosperity. There is much confusion between gold inflation and other kinds. In fact it is hard to discover a writer or a politician who makes a distinction in the effects. Undoubtedly the administration has let rumors of various kinds of inflation run their course, because of their value for the purpose of negotiation with other countries. There is nothing to indicate, however, that the government ever really contemplated anything but gold inflation, by which is meant the revaluation of the dollar with a lower gold content.

Money Has Two Functions

The fact is that money has two functions. First, it is a measure of value, and second, a medium of exchange. In good times the second function is almost obsolete, because 95 percent of the exchange is by check. Nevertheless, practically all writers treat of inflation as currency expansion. Gold inflation is a change in the standard of measurement of values. The depression is due to a dislocation of values, and will end when values rise sufficiently, regardless of the amount of currency in circulation. It is well known that there is more currency in this country now than at the peak of the boom in 1928 and 1929.

Deflation started, not from a contraction of currency, but from a contraction of credit. Once prices started downward they continued, because buyers were on the alert for bargains. As long as prices continued to fall, buyers dared not buy beyond immediate needs, because they might be loaded up with goods at prices which they could not realize at resale. The more buyers held off the lower prices went.

Prices Went Down Lower

Soon the banks began to force sales, which sent prices still lower. Once prices got to where the security or collateral back of the loan could not be sold for enough to pay the loan, the situation became hopeless, because of the mass of distress selling that hung over every market.

This process has often been recounted. The public was urged to buy, which was good advice from an economic standpoint, but seldom applied to an individual, who thought he might buy what he needed still lower. The fact is no one could afford to buy while prices were on the down grade, and there was no visible way to stop them.

Partial bankruptcy for the relief of the farmers and railroads was proposed, and at least one business organization, the Chicago Association of Commerce, demanded that it be extended to all business. Successive bankruptcy seemed the only way to get rid of the burden of debts that overhung the markets—commodity, security and real estate.

Gold inflation automatically scales all debts and raises prices by the same proportion as the inflation. If the gold inflation is great enough, it will raise prices so as to relieve the threat of distress selling. Therefore buyers not only can afford to buy, but they will be eager to buy, because with the accumulated demands caused by a four year check of production, prices are bound to rise. Factories will reopen, merchants will restock their shelves, unemployment will decrease, and so on.

Would Have Saved Globe & Rutgers

If gold inflation had come a few weeks earlier it would have saved the Globe & Rutgers. If the proclamation of the new value is not delayed too long the Globe & Rutgers may still be rehabilitated.

What seems never mentioned is that gold is a commodity with an intrinsic value of its own. When a government coins money all it does is certify the weight. It is the gold, and not the government stamp, that gives the coin value. This is particularly illustrated in the bar gold that has driven out coins in large transactions. The government stamp certifies the fineness, but the bars are weighed on delivery. Even gold coins are weighed in transactions and it is the weight, not the number of coins, that is taken as the number of dollars and cents in a sack of gold.

Illustration of Principle

Gold inflation can be easily illustrated. Suppose wheat were the medium of exchange and a bond read "1,000 bushels of wheat" instead of \$1,000. If the government decreed that the debtor could pay three pecks instead of four, it would be the same as devaluing the gold dollar by 25 percent.

Obviously it is easier for a debtor to get hold of three pecks than four, and that is the way gold inflation helps debtors.

Notwithstanding the preliminary speculation, gold inflation when it comes will act with explosive force. There will be a period of turmoil while prices

(CONTINUED ON PAGE 9)

Strong Market Is Aid to Companies

Investment Portfolios Strengthened by Marked Advance in Listed Securities

SEE PREMIUM INCREASE

Higher Commodity Prices Will Create Insurable Values—Greater Building Activity Not Anticipated

NEW YORK, April 26.—Sufficient time had not elapsed at this hour of writing to determine whether the sharp advance in securities listed upon the Exchange which began last week, marked the inauguration of a steady upward movement likely to continue for an indefinite period, or prove to have merely been a "flash in the pan." Whatever the eventual outcome the gains in many stocks registered during the past few days was such as to greatly hearten company officials as well as the holders of company shares, all of whom could figure substantial increases in the portfolios of the offices in which they held stock. For a time at least the interest of underwriting executives centered more upon the news coming in over the ticker, than upon technical insurance problems, and speculation was general as to what effect a sustained rise in the quotations would mean to the Globe & Rutgers and several other companies now either in the hands of "rehabilitators" or likely to be so placed unless able to increase their asset and net surplus accounts within a short time.

Will Increase Premiums

It is the prevailing belief among company men that an early result of the inflation movement will be to increase the general premium income, the advance in prices of commodities confidently looked for creating greater insurance values. It is not anticipated there will be any marked gain in building operations, the country now being deemed overbuilt for years to come. Such increase in insurable values as develops will come about almost wholly because of the advance in commodity prices, and the probable desire of many manufacturers and merchants to increase stocks of their varied goods in anticipation of possibly further increases.

Will Have No Opposition

No insurance director has been nominated for the post on the United States Chamber of Commerce to succeed George D. Markham, local agent of St. Louis except John C. Harding of Chicago, western manager of the Springfield F. & M.

Lee J. Dougherty, president of the Guaranty Life of Davenport, who has served as director, representing District No. 6 has been renominated.

Still No Decision Given in Globe & Rutgers Case

STAY OF 60 DAYS REQUESTED

New York Department Insists Upon
Liquidator on Theory Nothing But
Fresh Money Will Help

NEW YORK, April 26.—While Supreme Court Justice Frankenthaler has not rendered decision in the two Globe & Rutgers appeals before him, the one petitioning for the dissolution of the company, and the other asking time within which to complete the rehabilitation program, it is anticipated he will do so very shortly. Meanwhile as a result of the spurt in the security market the assets of the Globe & Rutgers have appreciated approximately \$2,000,000. It is further understood that 60 percent of the creditors of the organization have pledged support to the plan for continuing the corporation.

Record Is Enlarged

The record in the Globe & Rutgers case was enlarged by the filing of briefs on the part of the New York department demanding liquidation, by counsel for the company asking a stay of execution for 60 days so that the rehabilitation committee may have further opportunity to resuscitate the company and by John W. Davis, as counsel for the Rossia and Metropolitan Fire Reassurance, which are interested as creditors.

The insurance department's brief is phrased in epic language: "Talk about the history, development and growth of the company is a recital of the glory that was this insurance carrier before sickness and decay set in. Time has marched on and this company is its victim. Its biggest asset—its good name as a sound, growing, solvent carrier is gone—forever. Plans, loans, preferred stock issuances are hopes—idle dreams, confessions of inability to meet obligations and the refusal to accept fate."

The department states that new money, fresh capital, is the only answer and fresh capital has declined to be enticed. Public welfare, therefore, demands liquidation of the company.

Contention of Company

Counsel for the company contends that rehabilitation efforts are not futile and that a reorganization plan has already received the endorsement of a larger part of the creditors and policyholders.

The brief filed in behalf of the Rossia and the Metropolitan Fire Reassurance supports the petition of the company and states that the entering of a liquidation order would nullify the purpose of the rehabilitation law. If the Globe & Rutgers is placed in the hands of a receiver, according to the petition, the Rossia would have a net claim of more than \$700,000 for return unearned premium and the Metropolitan Fire Reassurance would have claims totaling about \$190,000.

Those familiar with the policies of E. C. Jameson, president of the Globe & Rutgers, say that it was always his policy to carry only a small cash balance, keeping his funds invested except for a very small margin. His policy was to maintain only a minimum working surplus in cash.

This policy, together with the practice of investing too heavily in securities of one enterprise, caused embarrassment to the Globe & Rutgers when the cash demand became pressing. As soon as outgo could not be taken care of by receipts, it became necessary to sacrifice securities or borrow. The Globe & Rutgers took the latter course and was required to put up the cream of its securities to get a \$10,000,000 loan from the Reconstruction Finance Corporation.

Cullison Confirms Report Winter Wheat Shrinking

Bearing out the observations of other grain experts, James B. Cullison, Jr., manager of the Rain & Hail Bureau, who has just returned from a 4,000 mile trip in Kansas, Nebraska, the panhandle of Texas and Colorado, expresses the belief that the winter wheat crop in western Kansas, Nebraska and the panhandle of Texas will be negligible. He states that west of Dodge City, Kan., and Perryton, Tex., except for a few areas, the farmers won't get their seed back. In some of those western sections, there has been no rain since last August and although the drought is broken in some places now, the rain comes too late to benefit winter wheat. To the east the crop is not good.

Because of the poor crop condition and the inflationary agitation, grain prices have increased sharply and the price to the wheat grower has gone up about 12 cents in the last 30 days.

The only hail business written so far consists of just a few policies on winter wheat from Texas and Oklahoma. The farmers apparently do not yet feel assured that the prices will stay up and they are not buying hail insurance. However, if the grain markets keep on the present level or go higher, hail insurance men feel that the business will show an improvement over last year, when the volume of hail premiums amounted to only about 30 percent of that written in 1931.

Ashcota Tribe to Meet

DES MOINES, April 26.—The Ashcota Tribe, social organization whose members include veteran Iowa field men, will hold a powwow here April 28. John D. Carpenter, former state agent for the Queen, is chief of the tribe. Officers hold office for life.

To Meet With Casualty Club

The May 8 meeting of the Iowa Blue Goose will be a joint meeting with the Casualty & Surety Club of Des Moines. The Iowa pond will have charge of the program. There was no scheduled speaker at the April 24 luncheon meeting.

National Association Meet Is Scheduled for May 15-17

GATHER IN NEW YORK CITY

Executives to Review Problems Which
Were to Have Been Discussed
at Louisville

NEW YORK, April 26.—Officers and members of the executive committee of the National Association of Insurance Agents will meet here May 15-17, for the consideration of a number of highly important matters scheduled to have been taken up at the mid-year gathering of the organization, which was to have been held last month at Louisville, but was abandoned because of generally unsettled economic conditions. Those expected to be on hand are: President C. L. Gandy, Secretary W. H. Bennett and the following executive committeemen: A. I. Wolff, Chicago (chairman); P. H. Goodwin, San Diego; Frederick Hickman, Atlantic City; T. S. Ridge, Jr., Kansas City; M. G. Smith, Baton Rouge, and S. O. Smith, Gainesville, Ga.

In addition, it is anticipated T. C. Moffatt, chairman of the surety conference committee; G. W. Carter, chairman of the casualty conference committee; E. J. Cole of Fall River, Mass., chairman finance committee, and J. L. Case, chairman of the committee on policy cancellations, will be on hand and submit reports upon the different matters under the particular jurisdiction of the committees they head. Mr. Goodwin, in addition to holding membership on the executive committee, is chairman of the fire conference committee, and will speak for that body.

Kansas Meeting at Wichita

The Kansas Blue Goose will hold a "splash" at the Allis Hotel, Wichita, May 2. L. B. Burt, Preferred Risk Fire, is most loyal gander. Several goslings will be initiated and officers will be elected. A banquet with several entertainment features is scheduled.

The Kansas Fire Underwriters Association will hold its bi-monthly meeting in Wichita on the same date. N. Dekker, America Fore, is president.

Louisville Agency Situation Is Getting in Better Shape

BOOKER & KINNAIRD'S MOVE

Believed That the Fidelity & Columbia
Trust Co. Will Soon Enter
the Board

LOUISVILLE, APRIL 26.—By unanimous action of the Louisville Board today Booker & Kinnaird were reinstated as members and certificates ordered issued to A. B. Kinnaird, W. F. Booker and W. G. Munn.

LOUISVILLE, April 26.—Indications are that the Fidelity & Columbia Trust Co., operating as a non-board agency since its formation in 1920, when it was refused membership in the Louisville Board because it was a bank agency, may shortly work out some sort of program whereby it may ask for admission. There is no secret that a number of the larger agents have long felt that the best interests of the insurance business would be served by having all the large agencies in the board. On April 19 the Booker & Kinnaird agency, after an absence since 1920, due to the Fidelity & Columbia securing an agency of the Firemen's, applied for membership.

Should the bank organize a stock fire company, such a domestic company could, under board rules, become a member. It is believed at this time that within a few days an application from the Fidelity & Columbia will be filed. It has represented the Firemen's of Newark exclusively.

With Booker & Kinnaird coming into the board the Fidelity is the only large agency that is now operating non-board.

Take On New Companies

The Booker & Kinnaird agency has surrendered the Firemen's but retained the Northern of New York, which it took on a few weeks ago, and which was in no non-board agency in Louisville. It has also surrendered the American Equitable of New York. Added companies are the Royal and Fireman's Fund, which were among the companies that left the agency in 1920 as a result of the Fidelity & Columbia Trust Co. controversy.

The agency has assumed entire liability for the unearned premiums of its customers in the Globe & Rutgers. This week policies were delivered to customers, covering the full unexpired term, without extra premium cost.

The opinion here is that the non-board situation in Louisville is in for a general cleaning up. It is believed that plans now being developed will result in all of the non-board agencies of any importance now operating in Louisville coming into the board within the next few weeks, while many of the smaller ones may be deprived of non-board companies, as a result of a number of companies that have been non-board following the program.

One of the results of such a cleaning up would probably be a material reduction in the number of solicitors employed.

The present realignment recalls the famous controversy engendered at the time the Fidelity & Columbia Trust Company took the agency of the Firemen's. Booker & Kinnaird represented the company together with a number of other large institutions. Under the rules the Louisville Board could not admit the bank. Therefore Booker & Kinnaird had to decide whether to retain their companies other than the Firemen's or not. They elected to represent the Firemen's and the other companies withdrew from the agency. The affair precipitated a big fight between the National Association of Insurance Agents and the Firemen's on the grounds that it had violated the bank agency principle the National association had adopted at its Richmond meeting.

THE WEEK IN INSURANCE

Effect that inflation will have on fire and casualty companies reviewed. **Page 3**

Company executives expect insurance to benefit from advance in security market. **Page 3**

Resolution of the Illinois agents on 60-day loss payment clause is resented by the companies. **Page 3**

National Association of Insurance Agents executives to meet in New York City May 15-17. **Page 4**

Rule book changes have been approved in all western states except Missouri. **Page 6**

Local agent, whose agency was sold allegedly without his permission, gets \$16,500 judgment against the companies. **Page 6**

Question of liability of the agent for return premium in company failures causes spirited debate. **Page 5**

The mid-year meeting of the Illinois Association of Insurance Agents was held last week at Springfield. **Page 5**

J. E. Hassinger elected president of the Louisiana Insurance Society at annual meeting. **Page 5**

Illinois Association of Local Agents adopts resolutions on the 60-day loss payment practice and the writing of prohibited workmen's compensation risks. **Page 8**

Secretary W. H. Tomlinson of the Ohio Association of Insurance Agents has been compelled to resign on account of ill health. **Page 18**

Booker & Kinnaird of Louisville, who have been out of the local organization for 14 years, are returning and it is likely that the Fidelity & Columbia Trust Company will apply for membership. **Page 4**

Loss ratio in Tennessee last year for all companies averaged 70.32 percent. **Page 23**

Failure of the International Reinsurance was no surprise to those familiar with the casualty business. **Page 32**

President H. A. Behrens of the Continental Casualty, in his talk before the Illinois agents, declared fear is the greatest enemy of mankind. **Page 31**

H. H. Rolfe of Chicago, claims attorney of the Globe Indemnity, gave a talk on occupational diseases before Illinois Association of Insurance Agents. **Page 31**

Illinois supreme court holds "inadvertent" mention of insurance by witness in personal injury case no cause for mistrial. **Page 31**

Frank M. Chandler was reelected president of the Illinois Insurance Federation at its annual meeting in Springfield. **Page 32**

Reinstatement of the earthquake exclusion clause in plate glass policies is advocated by important plate glass insurance executives. **Page 31**

Globe Indemnity announces new installment method of paying automobile premiums. **Page 32**

Control of General Indemnity of Rochester, N. Y., is purchased by Lloyds of America and C. D. Livingston is elected president. **Page 38**

Hassinger to Head Louisiana Society

Act on Countersigning Policies
Written by Out of State
Brokers

UNIFORMITY IS SOUGHT

Trust Fund Agreement Opposed—Wegmann Tells How Agents Can
Reduce High Losses

OFFICERS ELECTED

President—James E. Hassinger, New Orleans.
Vice-President—Chairman Executive Committee—Alphonse Davis, New Iberla.
Secretary—Treasurer—Carroll S. Mayer, Baton Rouge.
Business Manager—R. Lea McClelland, Baton Rouge.
Executive Committee—(new)—C. P. Gould, New Orleans; T. C. Grace, Baton Rouge, and H. H. McCain, Hammond; (holdovers)—O. W. Brown, Monroe; Terrell Woosley, Lake Charles, and J. H. Peabody, Shreveport.

James E. Hassinger was elected president of the Louisiana Insurance Society at its annual meeting in New Orleans last week. He succeeds E. T. Kidd of Ruston. The society went on record opposing the signing of policies covering fire and allied lines on properties within the state by other than qualified local agents, representing stock fire companies solely on a commission basis. The executive committee was instructed to draft an amendment to the by-laws providing "that no agent may retain less than 5 percent for counter-signature or issuing of policies, or in any event to pay more than 10 percent to any agent, company or broker." Steps will be taken by the executive committee to establish uniform procedure and understanding among agents.

Wegmann Welcomes Agents

John F. Wegmann, president Lafayette Fire, welcomed the agents, and T. C. Grace, Baton Rouge, responded. In his annual report, R. L. McClelland, business manager, reported a membership of 392.

Mr. Hassinger reported as chairman of the executive committee. He told of the investigations of fraudulent insurance organizations and the work the association has done in curbing them. During discussion of local problems at the regional meetings, said Mr. Hassinger, complaints were made regarding the difficulty in obtaining companies that would write unprotected risks on farm properties and special hazards, as companies will not write this business at the present inadequate rates.

Mr. Hassinger told of the society influencing the extension of the cancellation date on policies during the banking holiday. Through a record system, the society was able to arrange meetings of interested agents after the failure of the Union Indemnity and the La Salle Fire.

Object to Trust Clause

Commenting on the agents license law under consideration by the law committee of the National Board and National Association of Insurance Agents, Mr. Hassinger said that the executive committee not only believes the trust fund agreement impractical but they object to placing an agent subject to criminal prosecution for a civil obligation.

The responsibility of an agent who has written a policy in a company which collapses was argued in open session. It was pointed out that an agent is not

(CONTINUED ON PAGE 29)

Return Premium Liability of Agent Hotly Debated

NEW YORK, April 26.—Concern of local agents and brokers as to their possible legal or moral responsibility for the payment of return premiums under policies of companies in receivership or in the hands of conservators is being spiritedly debated.

Several states have ruled that the assumption of the unearned premium liability would constitute rebating. The Milwaukee Board recently went upon record as holding that "there is in fact no responsibility in law or equity for the continued solvency of any insurer." Several other local boards, including the Chicago Board, have adopted resolutions to the same effect.

Although the National Association of Insurance Agents has taken no official action its officials are unanimous in maintaining that such responsibility should not be assumed by agents.

Brokers Divided

A diversity of opinion is held by the leading New York brokers, which doubtless accounts for the failure of the brokers association to take a formal stand. All concur in the belief that no legal liability exists, the issue being one for each individual agent or broker to pass upon as he sees fit. If the account of a client is valuable, brokers would be tempted to assume responsibility.

A prominent general agent made the statement that local agents in his field

looked to him to guarantee the integrity of any companies placed with them, and failure on his part to assume responsibility in the event of a company's collapse, would mean the "folding-up" of his general agency.

On the other hand, many agencies are advising clients that as a result of the discontinuance of operations by the Globe & Rutgers, the business previously carried with that company has been placed in another institution, and enclosing bills for the new premium, promising only to lend every possible aid in effecting recovery of the unearned premium due from the suspended corporation.

Depend on Departments

In support of the non-liability theory it is contended that if the representative of a company is diligent in investigating the financial standing and general reputation of a company, his responsibility ceases, for he does not have the facilities nor the expert knowledge assumed to be possessed by the department, and must in large measure depend upon the state to guide him.

Several departments when criticized for failing to use greater discrimination in licensing companies, have said they are not able to hire competent examining talent. However, only a small proportion of the taxes collected from insurance companies is used for supervision.

National Union Is Again Back in Fold of I. M. U. A.

The National Union, which gave notice of intention to resign from the Inland Marine Underwriters Association, has returned to the fold, it was disclosed at the annual meeting of the I. M. U. A.

Benjamin Rush of the North America was elected president of the I. M. U. A.; F. W. Koeckert, Commercial Union, and F. B. McBride, Fireman's Fund, vice-presidents; E. J. Perrin, Automobile, chairman executive committee.

Those elected to fill vacancies on the executive committee were George D. Long, Jr., Phoenix of Hartford; H. T. Chester, Chubb & Son; W. H. McGee, J. P. Mayer, Royal-Liverpool; C. S. Timberlake, Hartford Fire, and W. A. Hebert, Springfield F. & M. The retiring president, Hendon Chubb, said that executive responsibility must be assumed in the ranks of the I. M. U. A. and there must be an uncompromising attitude toward wilful violation.

Mr. Perrin, as chairman of the executive committee, said that the problem of the furrier's customers policy, the most vexing of all the problems which the association has faced, has been disposed of. After that job was completed, the association proceeded to assume jurisdiction over fine arts, transportation, cargo, bailees' customers, bailees' liability, processing risks and deferred payment merchandise policies. Membership now consists of 149 companies in 46 groups.

Will Meet in Tacoma

TACOMA, WASH., April 26.—Tacoma will be the 1933 convention city of the Insurance Agents League of Washington. While the date of the meeting has not as yet been decided, it will be held the latter part of July or early in August.

The regular quarterly dividend of \$1.50 per share has been declared by the St. Paul Fire & Marine.

Agencies Taken Over Now Before Condition Hopeless

Under the new delinquent agency balance rules that are in effect in many states and because of more realistic attitude in the business, the observation is made that this year there is more hope of cleaning up the affairs of agencies that are taken over by field men's committees than there was of agencies that were taken over last year.

Taking Action in Time

Until this year, practically all the agencies that were taken over by committees were in a pretty hopeless shape. Committee action was the last resort. This year, however, the committees are stepping in when the agent begins to have trouble and before he has gone down for the third time. Extra help is eliminated, the agent is given a minimum drawing account and overhead is reduced in other directions to keep expenses within the income.

Takes New Post

Fred B. Humphrey, who was recently appointed southwestern manager of THE

NATIONAL UNDERWRITER with headquarters at Dallas, has begun work in his new position and is in Oklahoma this week. He will visit the principal cities of Texas before attending and reporting the annual convention of the Texas Association of Insurance Agents to be held at Corpus Christi May 25-26. Mr. Humphrey is widely known to company officials throughout the territory which he is now traveling.



F. B. HUMPHREY

Illinois Agents in Midyear Meeting

President Rockwood Hosmer Emphasizes the Value of State Associations

ALLAN WOLFF GIVES TALK

Banquet Was Staged in Honor of the State Superintendent of Insurance

Rockwood Hosmer, president of the Illinois Association of Insurance Agents, in his talk before the mid-year meeting at Springfield last week said that there never was a greater need for organized effort than today. Adversity, he said, had affected insurance organizations. The companies, he feels, are drawn together more closely by the common problems they have and are not hesitating to act in concert as witness the 60 days loss payment clause. He said that local agents are indifferent to state associations and those that do carry on the work are fighting the battles for the stay-at-homes. The Illinois association, he said, is one of five states in arrears in dues to the National association. The meeting was largely attended.

R. W. Troxell Reports

R. W. Troxell of Springfield, national councillor, spoke of the model agency qualification bill that is being drawn up by the National association. This follows the suggestions made by Insurance Superintendent Ernest Palmer of Illinois. It provides for examination of applicants, the fee being \$5. If an applicant qualifies he does not have to take a separate examination for companies that he represents. Companies are then allowed to license only agents that have qualified. When a company licenses an agent the state can fix the fee at \$1 or \$2 or whatever it desires. Superintendent Palmer, he said, has been working on a bill of this nature and whether it will be introduced in this session remains to be seen. The present Illinois license bill he said might not stand up on a few points.

Refers to Local Board Report

Mr. Troxell spoke of the plan gotten up by the committee of the National association of which F. T. Priest of Wichita is chairman for local board organizations. This is a model to follow, giving requirements and provisions. He spoke about the efforts of the management of the National association to get an amendment to the federal bank act prohibiting national banks from engaging in insurance. A resolution was passed by the Illinois association favoring this cause. Mr. Troxell read a letter from Secretary Bennett of the National association, calling attention to the action of the government as to Muscle Shoals, saying that a movement of this kind simply means further inroad of national government on private activities.

Secretary S. E. Moisant reported \$317 on hand and stated that the Illinois association owes the National association \$2,300. He said there are 323 members. Many members that paid larger amounts in the past have cut down the amount they paid.

J. M. Newberger of Chicago, chairman of the finance committee, averred that any state that gets in arrears with the National association faces a serious problem. On motion of Mr. Troxell the local agents in every town where there are members not paying their dues

(CONTINUED ON PAGE 27)



PROTECT WHAT YOU HAVE

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1. *Why they need strong insurance protection — now more than ever before.*
2. *Why it should be NORTH AMERICA PROTECTION.*
3. *How and where to get this protection.*

Is the story the NORTH AMERICA national advertising is telling your clients and prospects in the April 22 issue of The Literary Digest.

Insurance Company of North America PHILADELPHIA

and the

*Indemnity Insurance Company of North America
write practically every form of insurance
except life.*

Illinois Agent Gets \$16,500 Judgment Against Carriers

ASKED DAMAGES OF \$100,000

F. B. Miller of Centralia Wins Suit—
Charged Agency Was Sold
Without His Consent

EFFINGHAM, ILL., April 26.—Judgment of \$16,500 against the companies has been entered by Judge Wright at Effingham, in the \$100,000 damage suit brought against several companies by F. B. Miller, local agent of Centralia, Ill., who charged that he was victim of a conspiracy to ruin his agency. The companies will appeal.

This case attracted considerable attention in insurance circles. In the course of the trial, a number of prominent local agents throughout Illinois were placed on the stand to testify that it is customary in Illinois for the agent to forfeit the right to his expirations when he defaults in his obligations to his companies.

Sold to J. O. Bolin

The Miller agency was sold to John O. Bolin, local agent of Centralia. Bolin was a codefendant in Miller's action, but the judge excepted him in entering judgment. The suit was filed last September.

The company defendants were the Home, New York Underwriters, Continental, National of Hartford, Colonial Fire Underwriters, Star, Southern Fire, Aetna Fire, Queen, Providence-Washington and Springfield. The field men of these companies were also named as defendants.

The companies brought out in the trial that Miller was president of the now defunct Merchants State Bank of Centralia, had been indicted under two counts and had a judgment against him personally for \$50,000.

BEERS CASE REMANDED

JANESVILLE, WIS., April 26.—Contending that no facts are alleged showing that a separable controversy exists, the \$150,000 damage suit of C. P. Beers, local agent, against a group of 18 insurance companies and four field men has been remanded to Rock county circuit court here for trial. The case was taken to the United States district court on March 9 on the application of the Equitable F. & M., one of the defendant companies, and similar action was expected to be taken by the other defendants.

The case was brought by Beers on the allegation that he had been deprived of his insurance agency business here illegally. He alleges he was induced to sign a waiver which he understood to call for the repayment of delinquent accounts to the companies, and that the business was to be turned back to him when this was accomplished. Meanwhile, he claims, he was to be employed to conduct the business and instead, he was totally removed from connection with the business, and the agencies for the various companies turned over to other agents.

Because of diversity of citizenship of companies, the case was taken to federal court. Wolfe & Harte, Milwaukee, represent all the defendant companies except the Western Fire. Beers is represented by Attorney W. G. Wheeler, who made application to remand the case from federal court to Rock county circuit court. Wheeler claimed his client has elected to sue the companies jointly instead of severally, and that there is therefore no separable controversy between the Equitable F. & M. and the other companies.

An affidavit filed by Wolfe & Hart, says the United States Fire and the North River are reported to have been dismissed as defendants, leaving a total of 16 companies as defendants.

Rule Changes O. K. in All W. U. A. States But Missouri

KANSAS APPROVES REVISION

Explanation of Two Principal Changes
in the Inherent Explosion Clause
Is Given by Expert

An explanation of the two principal changes in the inherent explosion clause, which have been approved by all of the states in Western Underwriters Association territory except Missouri, has been prepared by an inspection bureau expert.

"This clause has been clarified in two respects," the explanation states. "In the first place, visualize a public service power house using powdered coal for fuel, in which a fan has stopped, for some reason or other, with the result that the stoppage of the air causes an explosion of powdered coal due to improper mixture. Under the old clause, the explosion of the powdered coal would be covered under the clause were it not for the fact that the proximate cause of the loss was due to the stoppage of the fan, which is *moving or rotating machinery*. The loss or damage was directly *occasioned by or incident to* the stopping of the fan, therefore, the resulting explosion due to the inoperation of the fan does not come within the contemplation of the old clause, whereas under this new clause such explosion loss is recoverable.

Grain People Favored

"In the second place, the clause has been amended in favor of the grain people. Paragraph 1 of the old clause reads in part as follows: (or occurring in any structure containing property insured hereunder). Assume that 'A' is the owner of the elevator plant. 'B' is the owner of grain stored therein. The policy covers grain only. Assume further that an inherent explosion occurs in a section of the plant other than the building in which the grain is stored. The explosion damages the grain. The italicized wording will not protect the insured, because the explosion did not occur in the structure containing the grain. The quoted wording, you will observe, covers the explosion damage to the grain only in the event the explosion occurs in the structure containing the grain. The wording in the new clause expressly covers such an explosion."

The latest state in which rule book changes have been approved is Kansas. Most of the changes correspond to those that were instituted in Illinois and other western states and were reviewed some time ago in THE NATIONAL UNDERWRITER.

One change peculiar to Kansas is the inclusion of hail coverage with tornado, a step that has long been desired by the Kansas agents.

Tornado rates on risks of the dwelling class have been increased from 16 cents to 18 cents and mercantile tornado rates increased 4 cents in view of the additional liability now assumed. Hail was previously covered by endorsement to the tornado policy at a rate of 7 cents under a 50 percent coinsurance form. In addition to the greatly reduced charge for hail coverage, the regular tornado coinsurance reductions are granted for the combined coverage resulting in a net 90 percent coinsurance rate for an ordinary mercantile building of .121 compared with .169 for the combined coverage heretofore. The combined rate on risks of the dwelling class is now .18 compared with the former rate of .23.

Fire Company Notes

The Republic of Texas was admitted this week to Wisconsin, it being under the jurisdiction of the old Chicago F. & M. officials in Chicago.

The Metropolitan Fire Reinsurance, with T. Meunier, Montreal, as chief agent, and Retail Lumbermen's Inter-Insurance Exchange, Minneapolis, with F. W. Ritter, Winnipeg as chief agent, have been licensed in Canada.

UP AND DOWN OLD BRANDYWINE

In the days 'at's past and gone—
With a dad-burn hook-and-line
And a saplin'-pole—i swawn!
I've had more fun, to the square
Inch, than ever anywhere!
Heaven to come can't discount mine
Up and down old Brandywine!

—James Whitcomb Riley.

INDIANA -- "The Hoosier State"

INDIANA, friendly and hospitable, has been immortalized by its native-born citizens—endless publicity has been brought by James Whitcomb Riley, (The Hoosier Poet), Booth Tarkington, George Ade, John Hay, Lew Wallace, (Ben Hur), Meredith Nicholson, Albert Beveridge, Thomas R. Marshall,



● *Soldiers' and Sailors' Monument. A famous landmark of Indianapolis. Indianapolis C. of C. Photo.*

George Barr and John T. McCutcheon, Charles A. Fairbanks, Maurice Thompson, (Alice of Old Vincennes), William Vaughan Moody, and Paul Dresser's "On the Banks of the Wabash"—the only official state song.

Visited by LaSalle in 1670; the first post, Vincennes, established in 1731; ceded to United States by the 1783 treaty; organized as a territory in 1800; Indiana in 1816, became the nineteenth state of the Union and today ranks eleventh in population and thirty-ninth in area. Fascinating Indiana has much of historical interest . . . here was fought the famous battle of Tippecanoe where Harrison overwhelmed the Indians under Tecumseh and the campaign slogan of 1840 originated "Tippecanoe and Tyler Too." . . . Vincennes history concerns George Rogers Clark, winner of the Northwest, conqueror of Fort Sackville in 1779 after a brilliant march across "drowned" lands and William Henry Harrison, governor of the territory, who made peace with Tecumseh under the walnut Treaty Tree that still stands. . . . Near Linton, Greene County, is the center of population of the United States as established by the 1930 census. . . . Spencer County, where young Abe spent 14 years of his life,

abounds in Lincoln lore. Here is buried Nancy Hanks Lincoln, mother of Abraham. From Rockport Abe embarked upon the now famous flatboat trip to New Orleans. From Vincennes he crossed the Wabash to make his home in Illinois.

Famous Brown County, a native bit of Indiana left unscathed by civilization, beckons artists and lovers of nature. This hill country gave Kin Hubbard his idea for the popular cartoon character of Abe Martin. . . . Wyandotte Cave, second largest in the world with 11 distinct floors and 13 miles of passageway, is one of Indiana's interesting natural formations.

The country depends upon Indiana for many products and the state ranks

First in production of steel, tin plate, rails.

First in production of cement

First in production of building stone

(Largest quarry in the world is in the Bedford-Bloomington district)

First in quality of corn

Third in quantity of corn

Ninth in value of manufactured products



● *An unusual view of the famed 500 mile speedway. Indianapolis C. of C. Photo.*

Indianapolis, state Capital, and the largest city, is an important marketing center and has over 850 diversified industries. Here at "The cross-roads of America," on the foremost brick motor race course in the world, is held the 500 mile Decoration Day Sweepstakes.

Ft. Wayne, second city of the state, was settled by the French and named after General

"Mad" Anthony Wayne. 71% of its citizens own their own homes.

Gary, third city, sprung from barren sand dunes in 1906, now has the world's largest steel works, tin mills, rail works and cement plants. The Gary public school plan, known



● *A typical scene of the ever popular Indiana Dunes. Stanley Niver Photo.*

as the "work—study—play" system, is world famous. This city is only 15 miles from the renowned Dunes State Park of 2,200 acres which ranks with Turkey Run and Clifty Falls as spots of scenic grandeur.

Evansville, on the Ohio River, a city over 100 years old, is the fourth Indiana city of over 100,000 population.

French Lick, West Baden and Martinsville are famed for their curative waters.

Much important property in this state is protected by the Eureka-Security Fire & Marine and agents of this 69 year old conservative company know that each claim will be promptly and satisfactorily met. Indiana agents like the friendly way we handle their business because it is so characteristic of the friendliness of their own state.

Indiana agents will find our state agent, listed below, ready at all times to help them with any insurance problem.

Acknowledgement for information obtained here is made to the Chambers of Commerce at Indianapolis, Ft. Wayne, Gary, Evansville, Vincennes and other cities.

A. J. Hassmer, State Agent
124 Walnut Street
Lawrenceburg, Indiana



The Eureka-Security Fire and Marine Insurance Company

Established 1864

CINCINNATI, OHIO

LARGE ENOUGH
To write lines liberally

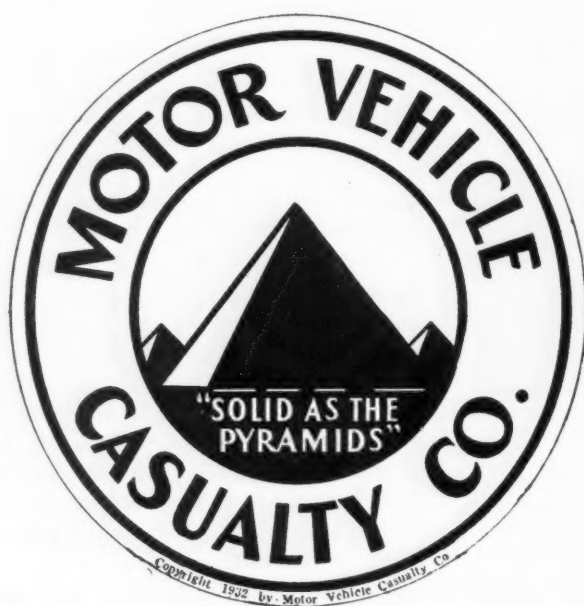
SMALL ENOUGH
To give individual attention

YOUNG ENOUGH
To grow by giving service

OLD ENOUGH
To have profited by experience



For 18 years
just plain
old fashioned
honesty
to
policyholders,
agents,
brokers.



Home Office

223 W. Jackson Blvd., Chicago, Illinois
A STOCK AUTOMOBILE COMPANY

Under same management for the past 18 years. Organized in 1914 as Motor Vehicle Underwriters, changed to Motor Vehicle Casualty Company in 1930.

Resolutions Adopted by the Illinois Local Agents Body

Whereas, conditions created by the recent bank moratorium made necessary strict adherence to the uniform fire policy provisions relative to the time of payment of losses,

Whereas, this practice was not the prevailing procedure of fire companies prior to the time of the bank moratorium,

Whereas, the policy limit for the payment of losses did not contemplate an indeterminate time for investigation and adjustment.

Whereas, the immediate emergency which prompted such action has passed,

Whereas, the rigid adherence to this rule frequently causes a grave injustice to worthy policyholders with resulting embarrassment to the agency force and increasing difficulty in collecting premiums.

Suggest Greater Flexibility

Resolved, by the Illinois Association of Insurance Agents in convention assembled that the companies liberalize and make more flexible the application of this rule with special consideration being given to individual losses particularly where repairs are involved and regardless of the amount of loss incurred, and

Resolved that as the adjustments are made by adjusters under contract with the companies and as the time of filing proofs of loss is generally controlled by the companies, it is the further opinion of this association that in no instance should the policyholder suffer a time penalty where no undue delay, lack of diligence or cooperation is evidenced by him and in no event should the time of payment of the loss be ex-

tended on account of the time involved in making investigation and adjustment, and

Resolved, that for the general good of the business and in the public interest, consideration should be given to the amount and character of the loss, the number and type of companies involved, together with the urgency in each particular case.

Resolved, that in all cases the expediency of that particular loss be investigated and the adjusters be allowed to make recommendation to the companies in those cases requiring promptness in settlement.

* * *

COMPENSATION COMMISSIONS

Whereas an apparently worthy and practical plan has been prepared and submitted by a committee for the underwriting of so called prohibited workmen's compensation risks in Illinois be it resolved by this association, that we express approval of the plan in principle.

Resolved that as a part of this plan provides for the placement of such risks, without commission to agents or brokers, we voice our disapproval of such provision and reaffirm the position of this association in the direct writing of insurance by the companies.

Resolved that we urge a substitute for this part of the plan to the effect that the individual assured select his own agent and that said agent shall then be entitled to commission for services rendered, thus maintaining those valuable contacts with the insuring public, so necessary for the welfare of the insurance business as a whole.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business April 24

Stock	Par	Share	Bid	Asked
Aetna Cas.	10	1.60	36	38
Aetna Fire	10	1.60	26	28
Aetna Life	10	...	13	14
Amer. Alliance ..	10	1.00	9	11
American, N. J. .	2.50	.50	5 1/2	6 1/2
Amer. Surety ...	25	...	9	10
Automobile, Conn.	10	1.00	14	15
Boston	100	16.00	335	360
Carolina	10	.50	9	11
City of N. Y. ...	100	2.50	65	75
Conn. Genl.	10	...	19	21
Continental Cas. .	5	...	7	8
Continental Ins. .	2.50	1.20	19	20
Fidel.-Phenix ...	2.50	1.20	18	19
Fireman's Fund. .	25	3.00	35 1/2	36 1/2
Fireman's F. Ind. .	10	...	12 1/2	16
Firemen's	5	...	3 1/2	4 1/2
Franklin Fire ...	5	1.00	11	13
Glens Falls	10	1.60	22	24 1/2
Great Amer. Ind. .	1	...	3	5
Great American. .	5	1.00	12	13
Halifax	10	.90	9 3/4	10 3/4
Hanover	10	1.60	22	24
Harmonia	10	.50	8	9
Hartford Fire ...	10	2.00	39	41
Home, N. Y.	5	1.00	14	15 1/2
Hartford St. B. .	10	1.60	40	42 1/2
Homestead	10	...	6	7
Ins. Co. of N. A. .	10	2.00	34	35
Maryland Cas. .	2	...	2	3
Mass. Bonding. .	25	...	10	12
National Cas. ...	10	...	4	5
National Fire ...	10	2.00	39	40
National Liberty. .	2	.10	3 1/2	4 1/2
National Surety. .	10	...	4	5
National Union. .	20	...	21	24
New Amst. Cas. .	10	1.50	10	11
New Brunswick. .	10	.50	8	10
North River	2.50	.60	10	12
N. W. National. .	25	.50	50	55
Occidental	10	...	9	10
Phoenix, Conn. .	10	2.00	48	50
Prov. Wash.	10	.80	17	19
Sprgld. F. & M. .	25	4.50	57	60
St. Paul F. & M. .	25	6.00	105	108
Sun Life	100	...	250	275
Travelers	100	16.00	290	300
U. S. Fire	4	1.20	18	19
U. S. Fid. & G. .	2	...	3	4
Westchester	2.50	1.00	13	14

Lilly Analyzes Adjustment Costs in Chicago Meeting

At the dinner of the Western Loss Association in Chicago Tuesday evening the speaker was Manager G. W. Lilly of New York City, general manager Fire Companies Adjustment Bureau and the former president of the western body. President John A. Shea presented Mr. Lilly, who spent considerable time in analyzing adjustment costs, stating that frequently insurance men criticize the expense by comparing it with the amount of loss without taking into consideration the work, time and service involved. He finds some improper practices in loss adjustments and fees charged in a few directions. He thinks that the companies pay too much for loss work in the aggregate but stated he had been able since taking charge of his organization to reduce expenses materially. The Western Loss Association has been investigating the expense factor for the last few months.

A number of managers were present including C. R. Street, Great American; W. N. Achenbach, Aetna; E. A. Henne, America Fore; S. M. Buck, Fireman's Fund, and John Rygel, Hanover. Manager R. R. Lippincott of the Western Adjustment, T. A. Pettigrew of the Underwriters Adjusting, and Clarke Munn of the Cook County Loss Adjustment Bureau attended with some of their staff as did T. T. North, head of the North Adjustment Co.

The Firemen's of Newark has entered Mississippi and has appointed the Mississippi Insurance Corporation, an affiliate of Reid-McGee & Co. of Jackson, as local agent.

Wanted Farm Underwriter

Man experienced in farm underwriting and field work. State age, experience and salary. Replies will be kept confidentially. Address X-39, The National Underwriter.

Unusual Agents' License Bill Proposed in Illinois

DRAFTED BY THE DEPARTMENT

Would Repeal Qualification Laws—Simplified Procedure and Better Control of Situation Offered

An agents' and brokers' qualification bill with unusual features was filed in the Illinois legislature by Rep. George Fitzgerald, chairman insurance committee. It is a department measure drafted by Superintendent Palmer. It reverses the former procedure in which a company nominated persons to be licensed and separate licenses were issued for each company to be represented.

The new method is for a broker or agent to qualify and receive a license good for any and all representation. It exempts only district, township and county mutuals and applies to all other kinds of insurance, including life.

The bill repeals the present agents' and brokers' qualification laws passed some two years ago, is broader in scope and intended to meet practically all problems which have arisen in administering these laws.

The bill prohibits the paying of brokerage or commission to any unlicensed persons, requires agents and brokers to represent only licensed companies, prohibits rebates to insureds or their representatives and requires the license number of the salesman and agent to appear on the outside face of the policy.

May Require Examinations

It forbids issuance of a license to an officer or employee of a state or national bank except in towns of less than 5,000 population. Examinations may be given and licenses refused or revoked for cause when the holder is found to be either incompetent or untrustworthy. Persons must qualify personally and companies can appoint only licensed agents. There is a retaliatory provision. No company may issue a policy in Illinois except by and through a duly licensed resident agent. Books and records of salesmen, agents and companies may be examined by the department in order to determine whether the act has been complied with.

Other Provisions of Bill

Applicants must be actively engaged in insurance. Renewal of license will be refused unless in the year preceding application for renewal the salesman wrote total premiums for others greater than the total placed on his own life, property or risks, or those of his employer. Corporations and partnerships will not be licensed as such, but each individual salesman must secure a license.

The annual fee for an insurance salesman's license is \$5. Where a company appoints an agent it must pay \$1 fee, if an Illinois company, and \$2 a year if foreign. The bill declares premiums to be a trust fund and they must be accounted for by the insurance salesman.

It is stated much insurance has been sold in Illinois by other than properly qualified and licensed agents, and not all branches of insurance were placed under the acts passed two years ago.

What Inflation Will Do to Insurance Companies Told

(CONTINUED FROM PAGE 3)

readjust to the new level, but of course all prices will go upward.

Fire and casualty companies, with their common stocks, will profit more than life companies, which hold mixed obligations, just as the fire and casualty companies suffered most in the depression. Many companies that re-

duced their capital will be able to restore it. Surpluses will grow. Of course, the rise in prices will have to take up the slack between actual cash values and convention valuations, before they can affect the surplus.

Nearly all writers, in their confusion on the kinds of inflation, fail to see that gold inflation is definite and instantaneous. Many of them assume that there will be fluctuations and uncertainty. The act of inflation and the return to the gold standard will be simultaneous in all countries that act in concert with the President. It is paper money or asset currency that is uncertain. The new

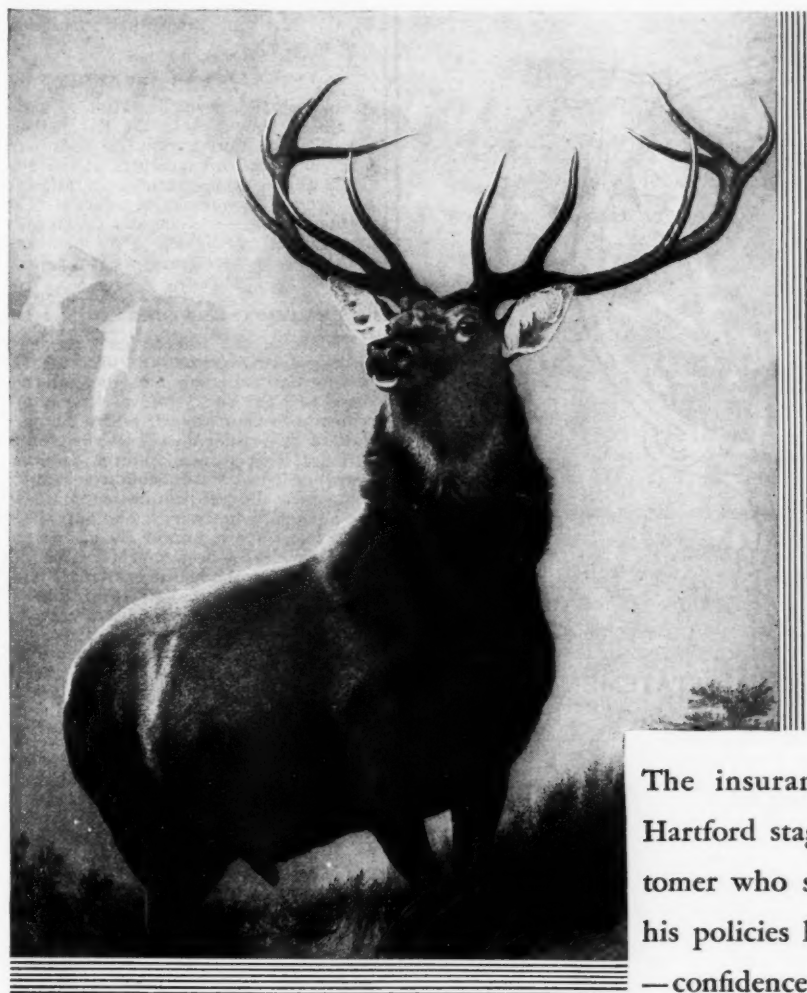
gold dollars will be as solid as the old. The only difference is that the same amount of gold will be called a greater number of dollars, and therefore intrinsic or market values will be expressed in a greater number of dollars.

To Cooperate with Bankers

BOSTON, April 26.—Some practical and useful results are expected from co-operation between insurance and banking interests inaugurated at the meeting of the Bay State Club, an organization of special agents, which had as its

speaker H. P. Gifford, president Salem Five Cents Savings Bank and chairman of the executive committee of the mutual savings banks of Massachusetts. Mr. Gifford brought up some of the insurance problems which face the average bank man, largely unfamiliar with that subject. He asked cooperation and help in meeting such problems.

A general discussion of insurance and banking inter-relations followed and resulted in the appointment by the Bay State Club of a committee to meet a similar committee of bank men for the study and handling of such problems.



The insurance agent displaying the Hartford stag on his walls, and his customer who sees the stag trademark on his policies have one thing in common—confidence. Confidence based on the fact that the goodness of a Hartford contract has never been questioned—that the Hartford has proved its will and ability to make good, even in times of depression. That confidence is a business asset to the one and a source of security and peace of mind to the other.

**HARTFORD FIRE
INSURANCE COMPANY**
HARTFORD • CONNECTICUT



NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



SIXTY-THIRD ANNUAL STATEMENT

December 31, 1932

ASSETS

United States Bonds.....	\$ 3,240,750.00
Canadian Bonds	263,800.00
Other Bonds and Stocks.....	10,811,847.01
Real Estate	362,750.00
Agents' Balances	716,346.91
Accounts Receivable	224,789.95
Cash in Banks and Office.....	468,479.78
	<hr/>
	\$16,088,763.65

LIABILITIES

Capital Stock	\$ 3,000,000.00
Unearned Premium Reserve.....	4,517,925.77
Reserve for Losses	539,303.21
Reserve for Taxes and other Liabilities.....	290,575.39
Reserve for Dividends declared and unpaid.....	120,000.00
Contingency Reserve	2,421,000.00
Surplus	5,199,959.28
	<hr/>
	\$16,088,763.65

NOTE: Bonds and Stocks at Insurance Commissioners Convention Valuation.

AFFILIATED COMPANY

Granite State Fire Insurance Company
Portsmouth, N. H.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

DEFERS CIGARETTE DECISION

After considerable discussion of the cigarette loss problem, the Eastern Underwriters Association has decided not to adopt mandatory legislation until the question can be taken up with other territorial organizations. Apparently there is a desire for uniformity. The Western Underwriters Association, at its annual meeting, decided not to take mandatory action at this time, inasmuch as the National Board had the question in hand.

WANTS UNIFORM AGREEMENT

To facilitate its consideration of loans to financial institutions the Reconstruction Finance Corporation has addressed fire companies not members of the National Board asking their cooperation in the proper assignment of policies. The National Board has already effected an arrangement on behalf of its members, and the same agreement is desired from non-affiliated offices.

INTERNATIONAL, INTERNATIONAL RE

Failure of the International Reinsurance removes a source of confusion between that company and the International of New York, the well known fire reinsurance company, of which Sumner Ballard is president. Both the International Reinsurance and the International of New York being reinsurance companies, the two were often confused by persons who were not thoroughly familiar with insurance. By agreement some time ago between Mr. Carl M. Hansen, head of the International Reinsurance, and Mr. Ballard, the International Reinsurance in its literature carried the notation that it was in the casualty business, while the International of New York publicized itself as being in the fire business.

FINANCE COMPANY CHANGE

Insurance men are much interested in the sale of the Universal Credit Corporation to the Commercial Investment Trust of New York. The Universal Credit was organized jointly by Edsel Ford and the Union Guardian Bank of Detroit and it was used to finance the purchase of Ford automobiles. This finance account was insured in one company and is reported to have produced premiums of some \$2,000,000 to \$3,000,-

000 a year. There is much interest in what the insurance arrangements will be now that there is a change in ownership.

WHISPERING BILL APPROVED

Governor Lehman of New York has approved the O'Brien bill, making it a misdemeanor punishable by a fine of not more than \$1,000 or by imprisonment for not more than one year or both for wilfully and knowingly making, circulating or transmitting any statement or rumor, written, printed or by word of mouth, which is untrue in fact and is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any insurance corporation or other insurer doing business in New York state.

TISDALE MADE PRESIDENT

Arthur Frank of the Newark Fire, who had been nominated for the office of president of the Fire Insurance Examiners Association of New York City, withdrew his name and G. W. Tisdale of the Commercial Union was reelected president.

NOMINATING GROUP PICKED

President B. M. Culver of the New York Board appointed the following nominating committee to present a slate of officers for election at the annual meeting May 17: O. E. Schaefer, V. P. Wyatt, J. W. Nichols, Hart Darlington, W. J. Reynolds, W. S. Brown and J. J. Hoey.

The New York Board adopted a resolution approving the transfer of most of the inspection service of the survey bureau of the New York Board to the New York Fire Insurance Exchange. The New York Board will reimburse the Exchange each month for all expenses and will transfer, without cost, all data and equipment incidental to the work. The reimbursement for expenses will gradually diminish with the final limit set for July 1, 1935.

The loss committee of the New York Board has issued a statement to the effect that under the new rule for deferring loss payments that the official starting time of the 60-day period is on proofs of loss when accepted by the company.

AS SEEN FROM CHICAGO

INQUIRIES ABOUT COMPANIES

Local agents say that they are receiving more inquiries about the standing of companies than ever. Many assureds are not satisfied to look over a condensed annual statement. They want to analyze all the securities. Where a large concern has a special insurance man looking after its interests he naturally studies the financial exhibits very carefully. Other assureds, however, of lesser dimensions are not hesitating to ask very pertinent and leading questions regarding companies, not only their financial standing but character of management. Some seek to learn what salaries are paid officials.

NELSON SPECIAL DEPUTY

Ray T. Nelson, assistant to the manager of the Chicago Board, has been appointed special deputy for fire insurance in the Illinois department. Mr. Nelson has been with the Chicago Board since 1926. He graduated from Northwestern University in 1915; served with the Commercial Union at Chicago; was attached to the Michigan Inspection Bureau at Grand Rapids, traveled the Illinois field for the American Eagle;

served in the Ohio inspection bureau and then went to the head office of the Western Actuarial Bureau in 1921.

He has been active in fire insurance educational work, as instructor in the fire prevention engineering department at Armour Institute of Technology, and in the fire insurance course at Northwestern University. He has also conducted courses for the Insurance Institute of America.

LONDON MEN IN CHICAGO

Arthur E. Morgan, deputy general manager of the London Assurance at its head office, and United States Manager E. W. Nourse are in Chicago this week visiting Manager J. S. Goodwin. Mr. Morgan will go on to San Francisco and from there to Australia. Mr. Nourse will return to New York City.

EXAMINERS ELECT PETRICK

The "red" ticket was elected at the annual meeting of the Association of Fire Insurance Examiners of Chicago. The officers elected are President, R. J. Petrick, Atlas Assurance; vice-president, J. B. O'Connor, National of Hartford; secretary, R. J. Bothwell, Continental

of the America Fore fleet; treasurer, Ralph Stick, Hartford Fire. J. C. Johnson, Fireman's Fund, and H. C. Stiles, Great American, were elected directors for two-year terms.

* * *

WALKER AGENCY MOVES

L. E. Walker & Co., well known Chicago general agency, has moved to larger quarters in the Insurance Exchange Annex. Mr. Walker has been in insurance in Chicago 15 years and is a large producer of automobile business, representing several well known companies. He has experienced an appreciable increase in the automobile end of his business since the banking holiday. Mr. Walker ascribes this to improved public frame of mind and increasing confidence of agents and brokers.

* * *

POLITICIANS START AGENCY

The Metropolitan Underwriters Agency has been started at 134 North La Salle street, Chicago. The principal factors in this office are Al J. Horan, chief bailiff of the municipal court in Chicago, M. J. O'Brien, a former chief clerk of the sanitary district of Chicago, Sam Cohen, personal secretary of O'Brien, and James Keevers, who was formerly in the surety department of the Standard Accident in Chicago. O'Brien and Horan being important Democratic politicians, the Metropolitan Underwriters Agency gets considerable surety bond and other insurance from state banks in receivership.

At the mid-year meeting of the Illinois Association of Insurance Agents, a closed session was held and the operations of this agency were discussed at some length.

* * *

NEW FINANCE COMPANY

A new finance company has been launched in Chicago, Preferred Investments, Inc., a Delaware corporation, with authorized capital of \$1,000,000 of which \$100,000 has been subscribed.

The company is operating for the present in Chicago and vicinity. W. W. Heise is president, A. E. Norman vice-president, and Ferdinand Baumann treasurer. The company finances both fire and casualty premiums. Thirty percent down payment is required and the balance is payable in six, eight or ten months, with longer terms for policies that are written in excess of one year.

The company recently took over the business and assets of the Center Credit Corporation of Niles Center, Ill., and within the past few days has purchased all of the stock of the South Chicago Consumer-Credit Finance Company of South Chicago.

* * *

WESTERN FACTORY MEETING

C. R. Street, Great American, president, and all other officers were re-elected at the annual meeting of the Western Factory Association. George H. Bell, National of Hartford, is first vice-president; George C. Long, Jr., Phoenix of Hartford, second vice-president, and John C. Harding, Springfield F. & M., secretary-treasurer. W. N. Achenbach, Aetna Fire, and F. M. Gund, Crum & Forster, were re-elected members of the executive committee.

General Manager S. W. Tripp reported that although premium income for the year had diminished, the loss ratio was satisfactory. F. Minot Blake of the Phoenix of Hartford and H. B. Smith, manager of the Factory Association, were present from the east.

C. R. Tuttle presented memorials on the late Randolph Buck, manager, and the late J. M. Moran, assistant manager of the Western Factory, who died recently.

* * *

BROKERS' QUARTERLY MEETING

A member of the Chicago Bar Association will address the Insurance Brokers Association of Illinois at the quarterly meeting in the Chicago Board auditorium Friday afternoon on "The Right

of Banks to Engage in the Insurance Business." Other subjects for discussion are stability of companies, the new automobile fire and theft rates and the allied subjects of company failures and how to handle claims in such circumstances. Business to be taken up includes consideration of the city license ordinance and proposed recodification of insurance laws.

* * *

L. & L. FIELD MEN IN CHICAGO

Byron K. Ward, state agent Law Union & Rock, and J. F. Kahmann, state agent London & Lancashire, both in Kansas, and W. P. Purkhiser, state agent for the entire fleet in Oklahoma,

visited the western department office of the London & Lancashire group in Chicago this week.

* * *

MEETINGS ARE DISCONTINUED

The monthly luncheon meetings of the Illinois Blue Goose have been discontinued until fall.

* * *

MORE AGENCIES ARE INVOLVED

Companies find that there has been a revival in number of local agencies in the middle west placed in committee or in hands of trustees during the last month or so. The bank situation evidently has had an effect. Some agents

are freezing their delinquent balances and endeavoring to pay up so far as current balances are concerned. The balance situation therefore seems to be more complicated than ever.

Rate Suit Dismissed

NEW ORLEANS, April 26.—Maintaining an exception of no cause or right of action, the civil district court dismissed a suit to lower windstorm insurance rates in Louisiana brought by the New Orleans real estate board, property owners' division, and the Jung Hotel against the Louisiana insurance commission.

Financial strength comes first today

Fourth message in a series appearing in this publication directed to producing agents.

★

FINANCIAL STRENGTH IS NOW OF FIRST IMPORTANCE. Local agents know it. They are discovering that 'cost' and other considerations are secondary these days in the minds of insurance buyers.

★ A comfortable feeling prevails in the agency ranks of the Millers National Insurance Company. *Instead of fearing critical appraisal of their company Millers National agents welcome it.* This company is one of the strongest in America—today that fact carries weight with people.

★ Analyze this fact! *Nearly half of this company's assets is surplus.* The Millers National assets aggregate \$5,217,412.61 of which \$2,354,519.76 is surplus.

★ Plus its ability to pay, as evidenced by its financial statement, the Millers National enjoys a national reputation for the promptness and fairness with which it settles losses. The foremost insurance authority in America rates the Millers National 'excellent' as to management and loss paying record.

★ Agents! The strength of the Millers National and its conservative, able management guarantees security to your clients and to you. Its progressive ideas can help you in many ways to meet present problems. Acquaint yourself further with facts and details—be sure to secure a copy of the booklet 'facts-in-few-words.'



MILLERS NATIONAL—Insurance Exchange, Chicago

I would be interested in spending a few minutes reading this concise book-of-facts. Please send it to me.

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Address

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INSURANCE COMPANY

CHICAGO, ILLINOIS

Incorporated 1865

F. S. Danforth, Pres.

FIELD MEN'S NEWS

W. M. Palmer Now to Retire

G. W. Owens and A. R. Mellor Will Handle Iowa for the New York Underwriters

W. M. Palmer of Des Moines, who has represented the New York Underwriters as Iowa state agent since 1903, will retire under a pension allowance from the company May 1, following which the territory will be traveled by G. W. Owens of Omaha as state agent for Iowa and Nebraska, and by A. R. Mellor, Des Moines, as Iowa state agent. The latter had been special agent under

State Agent Palmer for some time and is thoroughly familiar with the field. A native of Sandwich, Mass., Mr. Palmer began his insurance career with the J. W. Dobbin & Co. agency of South Center, Ia., in 1892, subsequently becoming special agent for the State of Des Moines. Six years later he assumed the Iowa state agency for the New York Underwriters in 1903.

General of Seattle's Move

Manager E. E. Cole Announces Some Appointments That Concern the Middle Western Territory

E. E. Cole, Jr., eastern United States manager of the General of Seattle group, announces that R. F. Peters, Central National Bank building, Peoria, Ill., has been appointed special agent for northern Illinois outside of Cook, Lake and

DuPage counties. Mr. Peters has been associated for some time with the F. B. Bourland agency at Peoria, which has represented the General for a number of years.

J. J. Sherman of Chicago, who has been representing the General group as Illinois state agent, has now returned to Cleveland as Ohio state agent, maintaining quarters at 425 Bulkley building.

Manager Cole has appointed G. W. Seipp as state agent for Kansas. He has his headquarters at Arkansas City, Kan. He was formerly connected with the National Union Fire as state agent.

Thoelecke Goes to Chicago

Eastern Nebraska State Agent for North America Becomes Assistant Cook County Manager

L. C. Thoelecke is being transferred by the North America from eastern Nebraska, where he has been state agent, to Chicago as assistant Cook county manager under C. G. Kuechler. James Bright, who has traveled several fields for the North America since graduating from the fire insurance course at Northwestern University, having been in Tennessee the last year, succeeds Mr. Thoelecke in Nebraska.

Mr. Thoelecke graduated in the fire protection engineering course at Armour Institute of Technology. With an uncle, he then started a local agency at North Platte, Neb. Later he joined the National Security of Omaha as underwriter and assistant secretary and subsequently was assigned to the position from which he is now being promoted.

Many Speakers Listed for Dinner to Aaron W. Jones

The Ohio Fire Underwriters Association will hold its monthly meeting in Columbus Tuesday. Monday evening a dinner will be tendered Aaron W. Jones, who has retired as state agent of the New Hampshire Fire. For 25 years Mr. Jones was secretary of the Ohio Fire Underwriters Association.

Austin McElroy, Columbus local agent, will be toastmaster at the dinner. Speakers will include J. R. King, Columbus; B. L. Agler, Youngstown; B. T. Duffey, Cleveland; J. R. Martin, Columbus; F. W. Ransom, Columbus; T. B. Sellers, Ohio Inspection Bureau, Columbus, and J. O. Dye, Urbana. R. S. Tidrick is chairman of the committee on arrangements and E. A. Reid is in charge of the program.

Montana Blue Goose Elects

E. L. Dee of Butte was elected most loyal gander of the Montana Blue Goose at its annual meeting in that city. W. E. Rae, Havre, becomes supervisor; George Stroub, Great Falls, custodian; Wilbur Quirk, Billings, guardian; Ed Sullivan, Butte, keeper, and James Mack, Butte, wielder. Mr. Rae was elected delegate to the grand nest, with W. F. McCallum, Great Falls, and R. C. Culver as alternates. D. A. McKinley of Seattle, most loyal grand gander, was the chief speaker at the banquet.

Indiana Meetings Scheduled

The Indiana Blue Goose will be in charge of the entertainment features which will follow the annual meeting of the Indiana Fire Underwriters Association at Indianapolis June 5. There will be a golf tournament in the afternoon followed by a dinner and entertainment in the evening.

W. L. Egel, T. W. Schultz

W. L. Egel, for several years New York state agent for the Globe & Rutgers, has been appointed Ohio state agent for the Yorkshire group succeeding W. K. Smith, recently resigned. In his new connection Mr. Egel will be

How much are values down?

For insurance purposes today it is more necessary than ever, to know exactly how much values are down? Guesswork in judging values has never been satisfactory and is obsolete in the face of present conditions.

How much insurance is necessary to adequately protect property under today's value cannot be gauged by a mere perfunctory examination. It is essential to know exactly how much the property is worth.

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Let us point out the advantages to you of recommending a Lloyd-Thomas appraisal for your assureds property.

What is an Appraisal?

It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

Its Advantages

1st — It discovers insurable values that have long been written off the books through unscientific depreciation. 2nd — It gives the agent, the assured, and the companies value facts of property. 3rd — It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

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Cooperative
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NATIONAL
UNION FIRE
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aided by Special Agent T. W. Schultz, who traveled Ohio for the associated companies for a time, subsequently assisting in developing the Texas interests of the Yorkshire and its affiliates.

C. L. Beale

Charles L. Beale, state agent for the Yorkshire, with headquarters in Dallas, has been placed in sole charge of Texas. Tom W. Schultz, special agent, sharing the work with Mr. Beale, has been transferred to Ohio.

F. E. Steinbacher

F. E. Steinbacher, marine special agent at Chicago for the Phoenix of Hartford, is being transferred to Ohio where he will assist State Agent T. O. Dye in the supervision of that state for the Connecticut Fire, one of the Phoenix of Hartford group.

American's Memphis Meeting

L. E. Falls, vice-president, and F. S. Lindsay, assistant secretary American of Newark, held a regional meeting Monday and Tuesday of this week at Memphis for field men in Tennessee, Texas, Louisiana, Kentucky and Arkansas. This brings to a close a series of five regional meetings held throughout the eastern and southern sections.

W. L. Schreiber, R. E. Minner

W. L. Schreiber of Peoria heretofore has had all of Illinois for the National Liberty, Baltimore American and Washington Underwriters. R. E. Minner of Springfield has had the entire state for the Carolina, New Brunswick and Southern Fire. Hereafter Mr. Schreiber will take the northern part of Illinois for all companies and Mr. Minner, the southern section.

Reciprocal Is Taken Over

The North American Inter-Insurers of New York has been taken over by the New York department for liquidation and dissolution of charter on order of Supreme Court Justice Gavegan. In January of this year the North American Inter-Insurers voted to discontinue operations. All policies were canceled, losses and return premiums were paid. T. F. Handy of Benedict & Benedict, attorneys in fact for the North American, filed an affidavit stating the organization has no outstanding obligations and has assets of \$269,172.

Death of Old Time Field Man

A. M. L. Wasson, a member of the Society of Life Members of the Fire Underwriters Association of the Northwest, died at the Hyde Park hotel in Chicago April 15, where he had made his home for a number of years. He was 87 years of age. Mr. Wasson was formerly stationed at Cincinnati, being special agent of the Franklin of Philadelphia. He lived several years in Chicago with his daughter, Mrs. Blanche W. Butler. He was a Civil War veteran and was buried with military honors in Milwaukee.

Corroon Succeeds Duffy

John J. Duffy has resigned as president of the New York Fire and is succeeded by R. A. Corroon, who has heretofore been chairman of the board.

Illinois Field Meeting

The annual meeting of the Illinois Fire Underwriters Association will be held at the Highlands, Delavan Lake, Wis., June 22-23.

Investigation Being Made

The Illinois insurance department has assigned a corps of investigators to Chicago and Cook county to investigate the present activities of agents and brokers who were licensed for the year ending March 1, and who have not renewed

their licenses. Any found operating and unlicensed will be reported to the state's attorney for prosecution. It is the purpose of the department to carry on a similar investigation throughout the state.

To Liquidate Petersburg

RICHMOND, VA., April 26.—The Petersburg Fire of Petersburg, Va., whose outstanding business was recently reinsured by the New Hampshire is to be liquidated. The business will be continued as the Petersburg Underwriters of the New Hampshire, with headquarters at the home office in Manchester.

Coast Veteran Is Dead

R. G. Vallentyne, special agent for the Northern Assurance in Portland, Ore., for many years, and prior to 1919 representing the company in Spokane, Wash. died suddenly at his home from a heart attack.

J. Edward Ready Dies

J. Edward Ready, one of the founders of the Detroit National Fire and for a number of years an agent for the Detroit National and the Hartford, died

Late News from the Casualty Field

Annual Meeting in N. Y.

More than 50 members turned out for the annual meeting and dinner of the Accident & Health Club of New York, at which Ray L. Hills, Great American Indemnity, was elected president. The retiring president, L. K. Farrell, Metropolitan Life, introduced the following ex-presidents: J. R. Garrett, National Casualty; H. J. Miller, Great American Indemnity, and F. G. Burgoyne, Bankers Indemnity.

The constitution and by-laws were amended to make accident and health claim men eligible to membership.

Michigan Tension Lessened

DETROIT, April 26.—The release of 30 percent of the deposits of out of state bankers by the conservators of the First National and Guardian National Bank

on April 23. He was an unsuccessful candidate for state representative last fall.

of Commerce, together with those of other depositors in the defunct institutions, has lessened the tension on surety companies carrying depository bonds on Michigan banks. The Guardian National paid the 30 percent "dividend," as it was termed, April 24 while the First National, with its larger number of depositors, paid off the banks alphabetically throughout the week, all depositors of every type being treated exactly alike.

Company Taken Over

Supreme Court Justice Gavegan of New York granted by default the motion of Superintendent Van Schaick to take over the Employers Mutual for liquidation and dissolution of charter. The business of the Employers Mutual was reinsured last year by the Utica Mutual.

All Officers Were Reelected

Retiring officers of the Association of Casualty & Surety Accountants & Statisticians were all reelected at its annual meeting in New York City. G. G. Moore, Standard Surety & Casualty, is president; F. S. Perryman, Royal Indemnity, vice president; and C. G. Vander Feen, National Bureau of Casualty & Surety Underwriters, secretary.

INTER-OCEAN REINSURANCE COMPANY

Inter-Ocean Building, Cedar Rapids, Iowa

Condition December 31, 1932

ASSETS

Bonds (Dec. 31 market value)	\$2,383,887.92
Stocks (Dec. 31 market value)	133,840.63
First mortgage loans.....	657,440.00
Home office building.....	88,497.43
Accrued interest	104,661.05
Due from insurance companies	349,275.33
Cash in banks.....	251,082.59
Other assets	32,726.19
Admitted assets	\$4,001,411.14

LIABILITIES

Unearned premiums	\$2,078,636.32
Reserve for losses.....	246,066.57
Reserve for taxes.....	44,046.79
Funds held for treaties...	41,752.49
All other liabilities.....	33,492.82
Voluntary reserve	150,000.00
	\$2,593,994.99
Capital	\$500,000.00
Surplus	907,416.15
Treatyholders' surplus ...	1,407,416.15
	\$4,001,411.14

REINSURANCE OF FIRE AND ALLIED LINES

FINANCIAL SECURITY

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PRINCIPLES OF
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DETERMINES
CHARACTER**

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Will Wright
Field Correspondent

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NEWS OF THE COMPANIES

Is Seeking Another Company

**Underwriters Equities of New York
Endeavors to Get Control of Colonial States Fire**

The Underwriters Equities of New York, which owns control of the American Colony and Majestic Fire and has a contract for purchase of the American Merchant Marine, is now seeking to obtain control of the Colonial States Fire, having made an offer to purchase the stock of that company. D. M. Milton, son-in-law of John D. Rockefeller, Jr., is the main factor in Underwriters Equities. Ten dollars in cash or three shares of class A stock of Underwriters Equities is being offered for shares of the Colonial States. The offer is open to May 1. Directors of the Colonial States must approve the deal. The plan is to consolidate all of these companies when and if they are acquired by Underwriters Equities.

As of Feb. 28, Underwriters Equities reported assets of \$611,672, including cash, \$7,903, holdings of American Colony, \$421,579, and holdings of Majestic Fire, \$180,569.

Capital consists of 65,536 shares of class A and 56,712 shares class B, and surplus amounts to \$488,992.

Corroon & Reynolds Report

The Corroon & Reynolds corporation reports a profit from operations last year, exclusive of dividends received and loss on sale of investments, of \$87,937. This compares with a loss the year before of \$332,543. Based on book value, the loss on sale of investments last year amounted to \$425,962. Capital and surplus amounted to \$9,370,435.

Tufts County Fire Manager

Joseph A. Tufts, who has been agency superintendent at the head office of the Great American, has been made vice-president and secretary of the County Fire and is assigned to the head office of that company at Philadelphia. The County Fire is a running mate of the Great American. He succeeds H. J. Hill, who is transferred to the home office of the Great American in New York.

Mr. Tufts will be assisted in the supervision of the County Fire by Assistant Secretary Lee R. Allen and Special Agents J. R. Wilke and H. H. Toy.

Corrections Are Made

Corroon & Reynolds Companies—On page 31 of the 1933 Argus Fire Chart the 1932 figure of "Losses Paid Including Adjusting Expenses" shown as \$1,813,296 for the Globe & Republic should be \$1,819,296. The name of J. A.

McGowan, shown as secretary, should have been omitted. In the figures of the New York Fire on page 52 the surplus to policyholders should be \$2,607,708 instead of \$2,490,626 as shown. The premiums plus interest and rents should be \$2,458,660 instead of \$2,448,660 as shown.

* * *

Crum & Forster Companies—On page 148 of the 1933 Argus Fire Chart in the rank of 35 companies by surplus to policyholders the prefix numbers on the surplus of the U. S. Fire and the North River should be (1) instead of (2), as the surplus as shown for both of these companies is on a market value basis.

To Be Cosmopolitan Underwriters

The Independence Underwriters of the American Equitable, which was created by the reinsurance of the Independence Fire by the Corroon & Reynolds group, is to change its name to Cosmopolitan Underwriters.

May 1 Licensing Date for Companies in Wisconsin

MADISON, WIS., April 26.—More than a majority of the insurance companies which operated in Wisconsin last year will be licensed May 1, Commissioner Mortensen stated in answer to a question prompted by the fact that the Wisconsin department required market value statements. To give the auditing staff an opportunity to pass on all phases of each company's activity, the time for licensing the companies was delayed until May 1.

"By that time this department will be in a position to tell what companies have qualified," Mr. Mortensen said. "I know that more than a majority of the companies have already qualified. There are a few companies which have not yet met the standards of the Wisconsin law as to capital and reserve. Those companies will not be licensed May 1. But there are only a few of them and even some of these may be able to qualify by the additions of new capital."

Pennsylvania Commission Bill

Those who have followed the progress of insurance legislation in Pennsylvania are convinced that the two measures now under review proposing uniformity in commissions on both fire and casualty business throughout the state, will die in committee. The bills are patterned somewhat after the law enacted in New Jersey several years ago, and their presentation in the legislature is in line with a threat to that end made by a number of agents in 1932.

Purely an Agency Company

SUSSEX FIRE

BOTH in spirit and letter observing the principles of the American Agency System.

INSURANCE

Cash Capital



COMPANY

\$1,000,000.00

COMPLETE facilities afforded every agent that represents this company.

New W. U. A. Committees Named

The new standing and special committees of the Western Underwriters Association have been appointed, following the annual meeting of that organization. G. H. Bell, National of Hartford, goes on the governing committee in the place of W. N. Achenbach, Aetna Fire, and F. R. Bigelow, St. Paul, succeeds J. C. McKown, also of the St. Paul. F. W. Koeckert becomes an ex-officio member of the governing committee inasmuch as he was elected vice-president of the W. U. A. He succeeds John A. Campbell, Home.

Robe Bird, American, succeeds John M. Thomas, National Union, as chairman of the grievance committee. J. R. Cashel, Providence Washington, succeeds W. C. Leach, Minneapolis Fire & Marine, as chairman of the field organizations and Blue Goose committee.

A. F. Powrie, Fire Association, is chairman of the new committee on commissions paid to agents in excepted cities on business located in ordinary territory. Chicago suburban territory. The other members are S. M. Buck, Fireman's Fund, and E. A. Henne, America Fore. The line up of the new committees follows:

Arbitration: C. R. Street, Great American, chairman; G. H. Bell, National; S. M. Buck, Fireman's Fund; J. A. Campbell, Home; R. L. Mouk, North British; W. H. Riker, North America; A. and J. H. Stoddard, New York Underwriters.

Arrangements: A. F. Powrie, Fire Association, chairman; Robe Bird, American; J. R. Cashel, Providence Washington; H. G. Casper, Lincoln; John F. Stafford, Sun.

Finance: E. A. Henne, America Fore, chairman; S. M. Buck; J. R. Cashel; W. H. Lininger, Springfield; W. K. Maxwell, Hanover.

General agency committee: W. N. Achenbach, Aetna, chairman; John C. Harding, Springfield; E. A. Henne; W. K. Maxwell; C. R. Tuttle, North America.

Fire protection engineering: A. G. Dugan, Hartford, chairman; C. E. Dox, London & Lancashire; John C. Harding; C. W. Higley, Hanover; C. R. Tuttle; W. D. Williams, Security.

Governing committee: John C. Harding, chairman; A. F. Powrie, vice-chairman; S. M. Buck; A. G. Dugan; F. M. Gund, Crum & Forster; John C. Harding; A. F. Powrie; Geo. H. Bell; F. R. Bigelow, St. Paul; Robe Bird; C. F. Shallcross, North British; C. R. Tuttle.

Ex-officio members of governing committee: W. D. Williams; F. W. Koeckert, Commercial Union; C. R. Street; E. A. Henne.

Grievance committee: Robe Bird, chairman; W. H. Lininger; J. H. Macfarlane, America Fore; W. K. Maxwell; R. H. Williams, Travelers.

Maps: A. F. Powrie, chairman; Hart Darlington, Norwich Union; W. B. Flick-

inger, North America; S. H. Quackenbush, Crum & Forster; C. R. Street.

Membership: W. H. Lininger, chairman; S. M. Buck; J. H. Griffin, Northwestern F. & M.; E. A. Henne; B. L. Hewett, Boston; J. C. McKown, St. Paul; E. M. Schoen, Atlas.

Public relations: J. C. Harding, chairman; Geo. C. Long, Jr., Phoenix; W. P. Robertson, North America; J. F. Stafford; J. M. Thomas, National Union.

Uniform forms committee: J. F. Stafford, chairman; W. N. Achenbach; R. S. Buddy, Glens Falls; H. G. Casper; J. H. Macfarlane.

Chicago committee: C. R. Tuttle, chairman; F. M. Gund; W. K. Maxwell.

Loss adjustments—Cook county: C. R. Street, chairman; A. G. Dugan; J. C. Harding.

Cooperation in loss adjustment practices: C. R. Street, chairman; S. M. Buck; J. A. Campbell, Home; R. B. Duboc, Western; H. W. LaRue, America Fore.

Inland marine: R. B. Ives, Aetna, chairman; F. R. Bigelow; A. G. Dugan; Geo. C. Long, Jr.; Alfred Stinson, Automobile.

Central traction and lighting bureau: J. C. Harding, chairman; H. T. Cartledge, L. & L. & G.; F. D. Layton, National.

Committee on commissions paid to agents in excepted cities on business located in ordinary territory. Chicago suburban territory: A. F. Powrie, chairman; S. M. Buck; E. A. Henne.

Contractual relations with agents: J. M. Thomas, chairman; P. Beresford, Phoenix, Eng.; M. H. Grannatt, L. & L. & G.; B. L. Hewett; Raymond Waldron, Detroit F. & M.

Field organizations and Blue Goose: J. R. Cashel, chairman; Montgomery Clark, Hanover; James E. Foster, National American; E. W. Hotchkiss, Royal; W. K. Maxwell; D. E. Monroe, Commercial Union; E. M. Schoen.

Over-organization: E. A. Henne, chairman; Geo. H. Bell; John C. Harding; C. F. Shallcross; C. R. Street.

Kentucky (excepted territory): C. R. Street, chairman; A. G. Dugan; E. A. Henne; Hines Bros., Crum & Forster; John F. Stafford.

Get All Corroon & Reynolds Group for State of Illinois

Funkhouser & Smith of Springfield, Ill., for several years Illinois general agents (outside Cook county), for the American Equitable, Merchants & Manufacturers and the New York Fire, will now handle all other of the Corroon & Reynolds companies in the same territory. Prior to taking certain of the Corroon & Reynolds companies five years ago, W. T. Funkhouser traveled Illinois for the Crum & Forster group, while F. B. Smith represented the same combination in Indiana and a section of Illinois.

Briefs of Illinois Agents Meeting

Two former state insurance superintendents were present at the meeting, they being **H. W. Hanson** of Springfield and **T. J. Houston**, Chicago adjuster. Both spoke briefly at the banquet.

Among the **managerial talent** present were Manager E. A. Henne, Assistant Manager J. H. Macfarlane, and Agency Superintendent T. C. Underwood, America Fore; Assistant Manager Fred D. Hess, American of Newark; Assistant Manager E. G. Frazier, Springfield, and Agency Superintendent John Chickering of the Sun.

W. F. Sweazen of Chicago, Cook County manager of the North British & Mercantile fleet, motored down to his old home in Missouri with members of his family and stopped at the Springfield meeting on his return.

Secretary **H. F. Tuerk** of the Illinois Fire of Peoria was present at the meeting.

Two **Springfield casualty officials**, Secretary Paul W. Pickering of the Illinois Casualty and Vice-President and General Manager Claude H. Barr of the Illinois National Casualty, attended the banquet.

C. W. Soderstrom, manager of the Illinois Inspection Bureau, was given a seat at the speakers' table at the banquet.

The **Chicago Brokers Association** was represented by President A. S. Schwartz, General J. J. Garrity and Gail Reed.

The **Springfield Board** gave a keg party following the afternoon session which was decidedly popular.

The **resolutions committee** consisted of R. W. Miller, Conkling, Price & Webb, Chicago, chairman; L. M. Drake, Critchell, Miller, Whitney & Barbour, Chicago; Alvin S. Keys, Springfield, and V. G. Musselman, Quincy.

The toastmaster called out **reinforcements** in presenting Superintendent Palmer. The official was introduced in addition to the effort of the toastmaster by L. E. Yager, president Chicago Board; Rockford Hosmer, president Illinois Association of Insurance Agents; Chief F. J. McAuliffe, Chicago fire insurance patrol; Alvin Keys of Springfield; J. J. Hall, National Bureau of Casualty & Surety Underwriters, and T. Rockefeller Weddell, "Insurance Field."

WHEN "AGENCY MEN" SERVE YOU

¶ Throughout the ranks of Kansas City Fire and Marine Insurance Company's personnel, a predominance of "agency men" will be found.

¶ The value of this practical agency experience is well known to the agents served by this company.

¶ Realizing the importance of the word SERVICE in its association with agents, the officials of The Kansas City Fire and Marine Insurance Company rank this feature beside the dependable financial structure which gives security to the property of Kansas City Fire and Marine Insurance customers.

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Kansas City, Mo.
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Published every Thursday

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Insuring Rejected Risks

THE question of what to do about those risks which are unable to purchase compensation insurance is occupying the attention of officials in several states. The problem has become acute because of the rigid underwriting rules, which are being applied by all companies in this line. When underwriting was more liberal, there were few risks that could not find a haven somewhere. Practical solution of the problem is a matter for technicians. That the companies recognize that they have a responsibility in this matter is apparent. If the companies undertake to provide this insurance, which is compulsory, and take the position that it is improper for state agencies to compete; then they must supply some means of providing it for all who are legitimately entitled to it.

If the companies meet the problem in the proper spirit, as they seem to be doing, they should expect the state officials to meet them half way. There are legitimate operators in certain industries eschewed by casualty companies, for whom rejected risk plans should be set up. These operators should be willing to pay the necessary tariff, and the state should permit adequate rates to be charged.

There are, however, employers, who make a great fuss about being unable to purchase compensation insurance, thus being faced with the necessity of going out of business, who are not entitled to the insurance and their risks should not be crammed down the throats of the

companies. These are the tricky operators, who connive to get out of paying their fair share of the cost, by manipulating payrolls, etc. These are likely to be the same people who refuse to surround their operations with proper safeguards and adopt preventive measures that are suggested. Too much weight should not be given to the complaint of such people that they are faced with extinction because of inability to get compensation insurance.

If the companies, conscientiously, attempt to set up machinery for handling rejected risks, the state authorities can be asked to cooperate, by keeping the benefits within reason and avoiding the dangerous ground of occupational disease legislation. In the multiplicity of social measures that are being launched throughout the world, there is a tendency to endorse whatever beneficences seem desirable, from the point of view of the recipient, disregarding the factor of capacity to pay and future impossible liabilities that may be stored up. Society cannot undertake to project the value of a man off the job and after he is dead, without some restrictions. Without restrictions, the whole plan of workmen's compensation will collapse. The states have already gone too far in liberalizing benefits. Sentiment and pressure of lobbyists must be resisted to prevent carrying the liberalization tendency further. Whatever change is made should be in the direction of getting benefits on a properly insurable basis.

Anniversary of Great Catastrophe

APRIL 18 marked the 27th anniversary of the great San Francisco conflagration, the most disastrous event of the kind in the history of this country. It entailed a property loss of something over \$400,000,000. About half of this fell on the insurance companies. This catastrophe

compelled a change in general underwriting practice whereby the aggregate liability assumed in any one city was very much more strictly limited. Many companies began setting aside at once a special conflagration reserve which has become a fixture in the business.

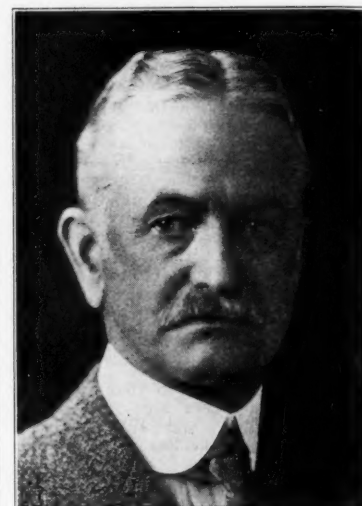
Let Errors Be a Teacher

If experience be a good teacher, we should profit by it. When a mistake has been made, whatever prompted it, there should be no repetition. We should

all seek to make our way clear and to act in greater harmony in our various relations. By studying our errors, we can profit by them.

PERSONAL SIDE OF BUSINESS

Senior in Line



A. G. DUGAN

A. H. Derbyshire, manager of the western inland marine department of the America Fore companies, has just been commissioned an admiral by Governor Laffoon of Kentucky, which is regarded as singularly appropriate for an inland marine man.

H. E. Soward, executive special agent in the engineering department of the America Fore, has been made a Kentucky colonel.

There was a touching scene at the meeting of the Illinois Association of Insurance Agents at Springfield last week when Ralph Miller of Conkling, Price & Webb of Chicago, chairman of the resolutions committee, read the resolution in tribute to the late **J. A. Giberson** of Alton, Ill., former president and secretary of the organization, one of the wheel-horses and a man highly esteemed. At the close of the reading of that particular resolution, President Rockwood Hosmer called **Dudley Giberson**, son of J. A., to the rostrum, introduced him and stated that Dudley is carrying on the work of his father. The resolution in regard to Mr. Giberson said, "We pay just tribute to his worthy contribution of time, effort and ability which has been a vital factor in the growth and effectiveness of our organization. We will miss his wise counsel, his dynamic personality and his good fellowship."

Charles H. Van Campen, president of the Fred L. Gray Company general agency of Minneapolis, died this week after a lengthy illness. He was a partner of the late Fred L. Gray and for many years that office acted as northwestern managers of the London Guarantee. About two years ago, a change was made and the Fred L. Gray Company now represents the Standard Accident in the northwest. Mr. Van Campen was one of the best known insurance men in the northwest.

Directors and officers of the Detroit Fire & Marine will honor **C. A. Reekie**, vice-president and secretary, at a banquet May 2 in commemoration of the 50th anniversary of his joining the company. **Joseph Standart**, chairman of the board, will act as toastmaster. Vice-president **Raymond Waldron** is making the arrangements.

T. E. Braniff has been appointed national councillor for the Oklahoma City chamber of commerce to the U. S. Chamber. He succeeds **George E. Lackey**, general agent Massachusetts Mutual in Oklahoma, recently transferred to Detroit. Mr. Braniff is now in Washington to attend the meeting of the national chamber of commerce. Before returning home, he will spend several weeks in New York and other points in the east.

A. H. Armstrong, founder and president for several years of the Bankers Fire and Bankers Automobile of Lincoln, Neb., both now defunct, died at his California home April 21. He was formerly mayor of Lincoln, but moved to the coast 15 years ago.

C. B. White, president Insurance Agents League of Washington, has entered a Seattle hospital for a minor operation.

Roy E. Curray, president Inter-Ocean Reinsurance, Cedar Rapids, Ia., has just completed a trip through the Pacific northwest.

E. A. Simmons, a local agent at Pontiac, Ill., struck the pictorial sections of newspaper syndicates. He is shown exhibiting his rare plant, an African lily, commonly known as snake plant. Mr. Simmons usually speaks of it in botanical nomenclature and states that it is an East Indian plant, *amorphophallus*.

A. G. Dugan of Chicago, western general agent of the Hartford, is the oldest living ex-president of the Western Underwriters Association. He acted as chairman of the nominating committee at the annual meeting this year. He has been general agent of the western department since 1903. Mr. Dugan is one of the famous Kentucky reared underwriters. He has been associated with the Hartford since 1895, becoming special agent in Kentucky at that time.

It has been growing in his office since the first of February without soil or moisture. It measures 70 inches in height. It is a bulb that in its fifth year blossoms without foliage.

R. G. McCullough, of Chicago, formerly head of the loss department of the Fireman's Fund in its western office, who retired a few years ago will sail for Belfast, Ireland, May 5, and will spend the summer there. He has a brother living in Belfast and will make his home there from which he will radiate throughout the Emerald Isle.

R. M. Clark, who was editor of the insurance department of the "United States Daily," until that publication ceased coming out on a daily basis, has been appointed deputy superintendent in New York to succeed **A. N. Butler**, who has been named special deputy superintendent in charge of rehabilitation of the Globe & Rutgers. After the "United States Daily" suspended, Mr. Clark was associated for a few weeks with the legal department of the Prudential. He was formerly in the insurance department of the United States Chamber of Commerce.

Detroit Agencies Combine

DETROIT, April 26.—**Raymond & Raymond** and the **Fred L. Guenther** agency, two of the oldest agencies in Detroit, have become associated and both are now located at 1044 Free Press Building. **E. G. Willmer** has been sole proprietor of the Guenther agency since the death of Mr. Guenther several years ago. **C. L.** and **H. E. Raymond** comprise the former agency, which is general agent for the London Guarantee & Accident for casualty lines and the Standard Accident for surety business. Mr. Willmer continues with the Employers Liability and the fire companies he formerly represented. The combined agencies will represent 13 fire and five casualty and surety companies. **C. L. Raymond** is a past president of the Detroit Association of Insurance Agents.

You will find your General Agent has a sympathetic understanding of your problems. See him today.

This cooperative goodwill campaign which explains the advantages of the General Agency plan is fostered by the General Agents whose names are listed. Each of these is a member of the American Association of Insurance General Agents. Their duties are purely supervisory.

THESE GENERAL AGENTS DO NOT COMPETE WITH LOCAL AGENTS

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TREZEVANT & COCHRAN
Dallas, Tex.

FLORIDA

HURT & QUIN, INC.
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HURT & QUIN, INC.
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ILLINOIS

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KANSAS

KANSAS UNDERWRITERS
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KANSAS UNDERWRITERS
Wichita, Kans.
M. L. LINTON & COMPANY
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NEW MEXICO

TREZEVANT & COCHRAN
Dallas, Tex.

NORTH DAKOTA

WESTERN SURETY AGENCY, INC.
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OHIO

G. L. RAMEY AGENCY, INC.
Dayton, Ohio

OKLAHOMA

AMERICAN AGENCY CO.
Tulsa, Okla.

KANSAS UNDERWRITERS
Wichita, Kans.

TREZEVANT & COCHRAN
Dallas, Tex.

SOUTH CAROLINA

HURT & QUIN, INC.
Atlanta, Ga.

SOUTH DAKOTA

JOHN M. COGLEY, INC.
Sioux Falls, S. D.
WESTERN SURETY AGENCY, INC.
Sioux Falls, S. D.

TEXAS

CRAVENS, DARGAN & CO.
Houston, Tex.
TREZEVANT & COCHRAN
Dallas, Tex.

WISCONSIN

C. P. HELLIWELL
Milwaukee, Wis.

THESE GENERAL AGENTS ARE IN EFFECT HOME OFFICES IN THEIR TERRITORY

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Direct Farm Writing Is Hit

Kansas Agents in Resolution Condemn Placing Business for Mortgage Institutions by Contract

A resolution condemning the practice of writing direct the farm business of mortgage loan companies by contract has been adopted by the Kansas Association of Insurance Agents and is signed by President Holmes Meade and Duane Stover, chairman of the executive committee.

The preamble sets forth that the association is informed that certain farm writing companies are following the practice of covering under the terms of an open policy agreement the mortgagee or loan companies where assureds are delinquent in premium payments or where foreclosure proceedings have been started. This, the resolution states, frequently eliminates the resident agent who has fought to obtain and service the business, often for the identical company that later takes it away.

Under this system, according to the resolution, a certain laxity in underwriting practice has become prevalent due to the lack of proper inspection and supervision by local agents. The resolution states the Kansas association regards this practice as unfriendly to the local agent and an appeal is made to the companies to discontinue this practice and restore the business to the agent to whom it rightfully belongs.

Many Notables at Banquet in Detroit for C. E. Gauss

At the testimonial dinner in Detroit for Commissioner Gauss of Michigan and his predecessor, C. D. Livingston, which was given by the Michigan companies with home offices in Detroit, there were present four other former commissioners. They were C. A. Palmer of Detroit; F. H. Ellsworth, president of the Michigan Surety; L. T. Hands, vice-president of the Michigan Life of Detroit, and John T. Winship of Battle Creek.

A number of members of the insurance department staff were on hand, including R. M. Wade, deputy commissioner, J. E. Reault, actuary, J. C. Ketchum, examiner, and R. M. Morse, agency supervisor.

The organizations which sponsored the dinner and were hosts of the evening were American Life of Detroit, Agricultural Life, Detroit Life, Federal

Asks Pastors to Aid in Reducing Church Fires

KANSAS CITY, April 26.—L. C. Johnson, director of the fire department, has mailed to all pastors in the city a booklet, "Is Your Church a Fire Trap?" outlining the four hazards which cause 80 percent of church fires. These are furnace defects, 28 percent; defective wiring in lighting systems and pipe organs, 24 percent; defective chimneys and heat pipes, 27 percent, and lightning, 10 percent. He urged that churches be checked for the hazards listed and steps taken to eliminate them. The services of inspectors are offered without charge.

Life & Casualty, the Gleaners, the Maccabees, Michigan Life, Detroit Fire & Marine, Michigan Fire & Marine, Detroit National Fire, Conductors Protective Assurance, Detroit Automobile Inter-Insurance Exchange, Michigan Mutual Liability, National Casualty and Standard Accident.

Governor Comstock was present and participated in the testimonial.

George K. March, president Detroit National Fire, acted as toastmaster. Governor Comstock stated that 47 men had applied to him for the commissionership but he had drafted Mr. Gauss. Vice-president L. G. Treanor of the Michigan Life was active in organizing the event.

Fire Prevention Bureau to Be Inspection Bureau Unit

ST. LOUIS, April 26.—The St. Louis Fire Prevention Bureau, effective May 1, will become a unit of the Missouri Inspection Bureau. The old name will be retained, together with most of its personnel, although in the consolidation some duplication of work will be eliminated.

Among those to continue are G. A. Madison, chief of the bureau since 1917; A. A. Schwarz, secretary; W. J. Landy, building construction expert; J. F. Casey, sprinkler department manager; David Foley and W. B. Larkin.

The Fire Prevention Bureau was organized about 33 years ago and is really a continuation of the inspection department of the old St. Louis Fire Underwriters Association, which passed out of existence in 1899.

Interest in Law Barring All Omaha Bank Agencies

OMAHA, April 26.—Local agents here are greatly pleased with the signing by Governor Bryan of the bill barring banks in cities of over 100,000 (applying only to Omaha) from engaging in the insurance business directly or indirectly.

Really only two companies are affected, the First National Company and U. S. National Company. Lynn Campbell of the insurance department of the U. S. National Company stated it was too soon to say just what course that company would take, while R. W. York of the First National Co., successor to First Trust Co., was of the opinion the law would not apply to that institution, as the tieup is not close enough to come under the law, although admitting that the president of the bank is also on the directorate of the First National Co.

The Omaha National Company has sold its insurance business to the Omaha Insurance Agency. C. A. Abrahamson, heretofore vice-president of the Omaha National Co., is president; W. C. Gehrt, vice-president, and I. R. Zeran, secretary-treasurer. Offices will be maintained on the second floor of the Omaha National Bank building.

Farm Insurance Companies Creating Keen Competition

Farm agents in Illinois find that the interests associated with the Illinois Agricultural Association and the farm bureaus are creating some very strong competition along insurance lines. The Country Life is the life company allied

with the movement. The county agents and the solicitors for the various activities for the Illinois Agricultural Association, including memberships, represent the insurance companies as well. The Farmers Mutual Reinsurance Company writes direct business in the state. The Illinois Agricultural Mutual writes automobile insurance. Therefore an agent can write many lines of insurance through these three companies.

Sioux City Women Organize

Twenty women employees of local agencies in Sioux City, Ia., have organized the Insurance Women's Association. Miss Clare Fennell has been named general chairman, to be in charge until the first regular meeting May 16 when officers will be elected and constitution and by-laws adopted.

"Company" Includes Reciprocals

A new law enacted by the Iowa legislature provides that the word "company" in insurance legislation shall mean all companies or associations organized to sell insurance except county mutuals, and provides for the examination of insurance companies, including reciprocals or inter-insurance exchanges organized or doing business in the state.

Protest Ohio Tax Bill

Hearings are being held this week by an Ohio legislative committee on the Whittemore tax bill which proposes to place a higher tax on insurance companies. The state administration has not yet introduced its own tax program so that the nature of the insurance company tax law which is most likely to be enacted, is not yet known. The Whittemore bill is being protested by the insurance interests of the state and it is not believed that it will become effective.

Defeat State Fund Restriction

MADISON, WIS., April 26.—By a vote of 61 to 33 the Wisconsin house turned down a bill which would have prevented the state fund from writing business on any but state-owned buildings. It had been reported favorably by the committee, and is to come up for reconsideration in a few days, so that agents have not given up hope.

Madison Rejects State Fund Plan

MADISON, WIS., April 26.—Madison local agents succeeded in defeating an attempt to renew \$960,000 in insurance on city school buildings with the Wisconsin state fire fund. Under new values recently placed on the schools the total insurance is reduced to \$2,940,000, and the attempt was made to have one-third of this, expiring in April, placed with the state fund.

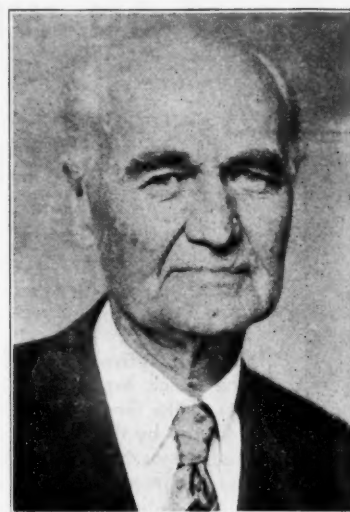
Pass Non-Resident License Act

The Nebraska house has approved a bill passed by the senate requiring non-resident agents selling property insurance to pay an annual license fee of \$10. It also passed a bill taxing mutual and assessment fire companies one-eighth of 1 percent of premiums for the support of the state fire marshal's office. Hitherto these companies have been exempted.

Drastic Measure in Nebraska

LINCOLN, NEB., April 26.—The senate bill forbidding domestic insurance companies to invest in preferred or common stocks has been amended in the house to cover foreign companies as well. Another amendment that Chairman Forell of the insurance committee warned would force the governor to veto the bill requires all companies except

Tomlinson Quits



JUDGE W. H. TOMLINSON

W. H. Tomlinson of Dayton, O., secretary Ohio Association of Insurance Agents, has been compelled to resign his position due to ill health. For the time being he will be at his home at 737 Superior avenue, Dayton. A few weeks ago Judge Tomlinson had an attack of angina pectoris. Later an examination showed that his heart was afflicted with coronary arterial trouble. Judge Tomlinson was formerly Ohio superintendent of insurance. Since being secretary of the Ohio association he has devoted a great deal of his time to organization and legislative work. He is one of the wheel horses of the organization and maintained his office in Columbus.

C. C. Rudibaugh of Youngstown, O., president of the Ohio Association of Insurance Agents, has called a meeting of the executive committee for the last of this week and it will canvass the situation following the resignation of Secretary Tomlinson.

assessment fire, tornado and hail associations to make quarterly reports of business done in the state, to deposit with the state treasurer 40 percent of gross premiums collected for the quarter and continue doing so until the sum on deposit equals losses paid in the state the previous calendar year.

Gustafson Opens Office

R. T. Gustafson, who has had 16 years' experience in the investigation and adjustment of insurance claims for the companies, has opened an independent adjusting office under the name of R. T. Gustafson Company, 230 Keeline Building, Omaha. He will service claims in Nebraska and Iowa, where most of his claim work has been. He was formerly with the Western Adjustment, National Union Indemnity and Employers Liability.

Many Agencies Taken Over

LANSING, MICH., April 26.—Field men report that about 200 agencies throughout the state have been taken over by the companies because of their complete failure to meet obligations. The banking holiday in the state left many previously sound and prompt-paying agencies in bad condition, as scores of banks have been placed in the hands of conservators with no withdrawals permitted. Collections have not

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FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

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\$ 1,000,000.00

Organized 1853

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THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

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NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

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\$ 1,000,000.00

Organized 1870

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THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

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\$ 2,000,000.00

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THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

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COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

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 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
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LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL



JANUARY
What a windstorm did in Alabama



JULY
Tornado wrecks Indiana town



SEPTEMBER
Two score injured in this storm



NOVEMBER
In the wake of a Louisiana gale



FEBRUARY
Windstorm spreads death and ruin



MARCH
Air view of Murphysboro, Illinois



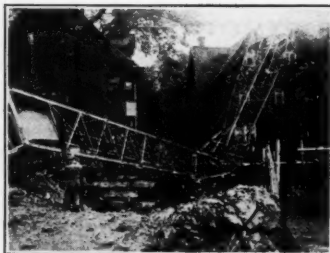
APRIL
Windstorm wipes out Texas town



MAY
Wind Havoc in Poplar Bluff, Missouri



JUNE
Cyclone sweeps Chicago suburbs



AUGUST
Gale blows steel tower from foundation



OCTOBER
Wreckage in a Massachusetts town



DECEMBER
Storm in Southern Arkansas

WINDSTORMS

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1933		JAN. to DEC.				1933
SUN	MON	TUE	WED	THU	FRI	SAT
1	Destructive windstorms occur every month in the year. Your clients need Windstorm protection from January to December. The pictures prove it.					7
8						14
15						21
22						28
29						•



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materially improved since the moratorium was first proclaimed by Governor Comstock Feb. 14.

Bay City on Cash Basis

BAY CITY, MICH., April 26.—Writing of fire and casualty business by members of the Bay City Board has been placed on a strictly cash basis. Thirteen member agencies signed a pledge to accept no business except on strictly cash terms.

It is thought possible that some other Michigan cities may follow the Bay City board's example. Several cities now enforce 30 or 60 day rules.

Iron River Cuts Credit Period

Iron River (Mich.) agencies at a joint meeting decided that the credit period on all fire and casualty policies would be limited to 30 days, effective immediately. The necessity for shortening the period of credit is due to the financial situation in Michigan.

Kansas Losses Lower

J. S. Gilmore, newly appointed Kansas state fire marshal, reports a reduction of \$11,000 in the fire loss for March

as compared with last year and a reduction of \$100,000 from February. The March loss total was \$344,612.

Evansville Agency Sold

The A. M. Weil & Bros. Co. agency at Evansville, Ind., has been sold to Oliver L. Kraft. The Weil agency was founded in 1869 by Moses Weil, father of Aaron M. and J. C. Weil, the former of whom died several years ago and the latter in the past few weeks.

Central News Notes

At the meeting of the Des Moines Credit Men's Association this week the speakers were C. W. Borrett, secretary of the Iowa State Fire Prevention Association, and State Fire Marshal J. W. Stroh.

W. L. Prince, head of the Prince-Joy Agency, Stillwater, Minn., for many years, died April 22, after an illness of only a few days. He was also president of the First National Bank of Stillwater.

A two-day educational and inspection campaign will be conducted by the South Dakota Fire Prevention Association in Mitchell, May 10-11. A joint meeting of civic and business men's organizations will be held May 11, presided over by President A. J. Harmon of the chamber of commerce, at which R. E. Vernor, Western Actuarial Bureau, will be the principal speaker.

EASTERN STATES ACTIVITIES

New York Measures Signed

Governor Lehman Approves 15 Amendments to Insurance Code—Liberalizes Amortization Provision

ALBANY, N. Y., April 26.—Governor Lehman has approved 15 amendments to the insurance law which include all of the departmental and most of the independent amendments before him. He is still considering the Dunnigan bill creating guaranteed mortgage corporations for the purpose of liquidating properties of present similar corporations, and the two Dunnigan bills, setting up an insurance board in the insurance department.

One act authorizes the superintendent of insurance to borrow and pledge assets of an insurer for purposes of rehabilitation, liquidation, conservation or dissolution. The governor also approved an amendment regarding the valuation of insurance company assets so the application of the resolution of the committee on valuation of securities of insurance commissioners will not conflict with the rule of amortization provided in the New York law. The law is also amended to provide the word "assets" used in rehabilitation, liquidation, conservation, dissolution to include all deposited funds of special or trust nature.

The governor also approved the act by which companies other than life are permitted to hold securities illegal for investment where they cannot be disposed of without financial loss. The bill permitting health and accident agents to service risks in force on withdrawal of a company from the state was also approved. The governor also signed the bill permitting issuance of a temporary agent's or broker's license without examination, to the next of kin or a member of the firm of a deceased agent. Another measure provides that an insurance broker must be over 21 years of age. The bill providing for the examination of agents was amended to exempt ticket, baggage or station agents of a railroad, who act as agents for insurance companies.

West Virginia Group Elects

J. W. Blakely of Welch was elected president of the Southern West Virginia Board at its annual meeting.

J. G. Fredeking, Hinton, was elected vice-president and Ray Evans, Bluefield, secretary-treasurer. More than 80 agents attended the meeting.

Curtail New England Meeting

Present Plans Are for One-Day Session in Boston, with Program Devoted Entirely to Business

BOSTON, April 26.—That great gathering of New England insurance agents, which has been held annually every summer for the past 11 years in the mountains of northern New England or at some hostelry along the seashore, will yield this year to the economic trend of the times. It will not be discontinued entirely, but the details will be greatly curtailed, quite likely to more practical and helpful proportions.

The New England Advisory Board, made up of officers of the state associations, in a meeting in Boston the past week, after carefully considering the matter of the annual summer convention, went on record as opposed to the usual form and place of the gathering and, instead, unofficially decided to shorten the length of the convention and do away with all social features.

As a result it is now planned that a one-day convention of all New England agents be held in Boston, with strictly a business program from start to finish. The details are still to be worked out but these will be attended to at future meetings of the board.

Sprinkler Watchman Is Demonstrated in Boston

In the presence of Herbert Jenkins, senior inspector of the Boston Board; A. F. Koesters, engineer of O'Brien, Russell & Co., Boston agency; Frank Ames, engineer, and F. A. Estes, appraiser of the Factory Insurance Association of Hartford, the Gamewell Company demonstrated the operation of the first installation of the "Gamewell Sprinkler Watchman." The "Sprinkler Watchman" is a hookup utilizing the Gamewell master type fire alarm box to connect automatic sprinkler systems directly with municipal fire departments. A special "Rockwood Sprinklarm" unit is used in making the connection to a wet pipe sprinkler system and provides an alarm when a sprinkler head opens even though the main gate or post indicator valves have been left accidentally closed. The opening of the sprinkler head automatically operates the "Sprinklarm" which in turn, trips the municipal fire alarm box of the master type which is generally located outside the building

or on the street adjoining the protected property. Under the worst possible conditions, the device operated successfully according to the report of Engineer Koesters in one minute and 14 seconds. Under more favorable conditions, the system operated satisfactorily in 18 seconds.

Talks On Guest Hazard

PALMYRA, N. Y., April 26.—M. B. Wood of Syracuse, superintendent of the claim department of the United States Fidelity & Guaranty, addressed the Associated Insurers of Ontario, Seneca, Yates and Wayne counties here on the automobile passenger hazard.

The next meeting July 18 will be the annual outing.

Firemen's Leads in N. J.

NEWARK, April 26.—The Firemen's led all of the New Jersey companies on fire premiums in the state for 1932 with a total of \$899,919 and \$296,671 losses paid. The American of Newark was a close second with \$812,355 premiums and \$288,672 losses. The Camden Fire showed premiums of \$485,129 and losses \$193,998.

Jersey City Safety Rally

JERSEY CITY, April 26.—Governor Moore and H. G. Hoffman, motor vehicle commissioner of New Jersey, will be the principal speakers at the safety rally here May 5. W. F. Turner, president Hudson County Underwriters Association, is chairman of the rally committee.

May Withdraw Deposit

BALTIMORE, April 26.—At the request of Commissioner Walsh, Assistant Attorney General Henderson has ruled that an insurance company is entitled to withdraw any securities it may have on deposit with the state treasurer as soon as it has ceased writing insurance in Maryland.

The opinion refers especially to the Petersburg of Virginia, recently reinsured by the New Hampshire Fire. Inasmuch as the company is to continue writing policies during April and May, such policies to be reinsured by the New Hampshire, the opinion holds that so long as it continues to do business and write policies in the state, the deposit should be held. Upon the cessation of such business, however, the deposit may properly be surrendered on such terms as the department may think necessary or advisable for the protection of existing creditors.

Auto Rates New Jersey Topic

Speaking on the "Increase in Auto Rates in Hudson County," H. B. Nelson, former president New Jersey Association of Underwriters, told the Bergen County Association of Insurance Agents at a dinner in Rochelle Park, that "there is no basis for estimating casualty loss ratios as there is fire loss ratios, since the public beyond control of the policyholder may cause the accident, since juries may give excessive damage verdicts and since the 'moral hazard' of fake claims is harder to fight or to estimate."

Other speakers were A. V. Livingston, president New Jersey association; J. C. Conklin, A. W. Whitney and William Mead of the National Bureau of Casualty & Surety Underwriters. James A. Beha, general manager National Bureau, was scheduled to speak, but was unable to do so on account of illness.

Would Make Refund a Rebate

PHILADELPHIA, April 26.—A last-minute effort is being made to push through the Pennsylvania legislature a bill to cause refund of unearned premium on policies in companies which have failed to be regarded as a rebate. Proponents of the measure point out that Kansas and West Virginia now

have laws which are construed in recent rulings to prohibit such refund on the part of the agent.

However, it is doubtful whether this bill or any insurance bill will be passed at this session of the legislature, which was to have adjourned last week. Effort is now being made to arrange for adjournment the end of this week.

Southern States Local News

Tennessee Record Is Given

Loss Ratio of All Classes of Companies in the State Runs High for the Past Year

The total premiums of domestic stock fire and marine companies in Tennessee last year were \$7,833,012 and losses \$6,466,702. The loss ratio on basis of losses incurred, which were \$6,265,747, was 79.99 percent. The foreign companies had premiums \$1,096,055 and losses \$839,662, the loss ratio being 74.49 percent according to losses incurred, they being \$816,484. The mutuals had premiums \$336,845 and losses \$189,339, the loss ratio being 64.4 percent on basis of losses incurred, which were \$216,931. The reciprocals had premiums \$102,465 and losses \$53,694. The loss ratio 37.57 percent was on basis of losses incurred which were \$38,494. The total premiums in the state for all classes were \$9,368,377 and losses incurred \$7,337,656. The average loss ratio was 78.32 percent. The state leaders or those having \$90,000 or more in the state were as follows:

	Prem.	Losses	Pct.
Aetna	\$319,459	\$216,572	67.79
American	238,848	255,943	107.16
Continental	443,177	390,028	88.00
Fidelity Phen....	309,717	319,494	103.16
Fire Assn.....	130,000	74,208	57.08
Fireman's Fund ..	138,860	70,252	50.59
Firemen's	228,625	137,599	60.19
Franklin	130,152	150,128	115.35
General Exch....	95,557	57,266	59.93
Globe & Rut....	135,992	298,258	219.32
Great American ..	155,878	126,332	81.05
Hartford	469,998	339,295	72.19
Home, N. Y.....	652,017	612,119	93.88
Ins. Co. N. Am. ..	199,371	112,061	56.21
Natl. Union.....	132,230	146,503	80.79
Northw. F. & M. ..	113,627	81,570	71.79
Queen	105,244	74,102	70.41
Springfield	134,921	94,679	70.17
St. Paul F. & M. ..	129,303	90,770	70.20
L. & L. & G.....	148,027	102,929	69.53
Royal	164,664	110,570	67.15
Scot. Un. & Nat. ..	104,009	95,926	92.23

Of the mutuals the Minnesota Implementation Mutual was the leader with \$32,729 premiums and \$35,371 losses. The Hardware Dealers Mutual was next with \$30,103 premiums and \$34,618 losses.

Oklahoma Income Tax Passed

Explanation Given on How Measure Affects Companies—Act Subject to Referendum

OKLAHOMA CITY, April 26.—Oklahoma's new income tax law, passed by the present legislature, may be subjected to a referendum. In any event, it will not become effective until 90 days after sine die adjournment of the legislature. Its effect upon insurance companies has been analyzed by F. E. Young, formerly assistant insurance commissioner. The normal tax is: One percent of the first \$2,000 of the amount of net income; 2 percent of the next \$2,000 net income; 3 percent of the next \$3,000 net income; 4 percent of the next \$3,000 net income; 5 percent of the remainder of such net income.

"In the case of other insurance companies, other than life or mutual, the 'gross income' means the sum of the combined gross amount earned during the taxable year, from investment income and from underwriting income,

from gain during the taxable year on the sale or other disposition of property," explains Mr. Young.

"In addition to the normal tax on net incomes, companies will be required to pay a surtax ranging in amounts from .5 percent on amounts in excess of \$10,-

000, up to 5 percent on amounts in excess of \$100,000.

"Companies which will be required to pay tax under the act, and which will also pay tax on its gross premiums income, as levied under prior existing laws of Oklahoma, will be entitled to an off-

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set against its tax computed under the new law, for the total amount of tax paid during the taxable year upon its gross premiums; and if such gross premiums tax is in excess of the amount of tax payable under the act for such taxable year, then the gross premiums tax will be in lieu of the income tax."

**New Orleans Patrol Cites
Dwelling Loss Increase**

The total insurance loss in New Orleans last year amounted to \$1,135,112, as compared with \$1,078,918 in 1931, according to the annual report of the Fire Insurance Patrol of New Orleans. R. H. Colcock, Jr., chairman of the executive committee of the patrol, states that the average loss per fire was higher in 1932, being \$1,153, than in 1931, when it was \$1,062. The average value involved in each loss in 1932 was \$17,307, whereas in 1931 it was \$35,174.

This is the result of the large increase in fires in dwelling properties, of which a number were in vacant buildings and many of suspicious or incendiary nature, according to Mr. Colcock. The estimated salvage last year was \$714,200, this figure applying only to contents. Tarpaulins were spread in 282 fires, the average estimated saving being \$2,532 per fire.

S. O. Smith Alabama Speaker

BIRMINGHAM, ALA., April 26.—Sidney O. Smith of Gainesville, Ga., member of the executive committee of the National Association of Insurance Agents has been added to the list of speakers before the Alabama association in Birmingham May 11-12. Negotiations are under way for other speakers in addition to C. L. Gandy, president National association, and C. C. Greer, Alabama commissioner, previously announced.

Riley, Wheeler Talk to Firemen

JACKSON, MISS., April 26.—Commissioner George D. Riley will address the Mississippi Firemen's Association at the annual meeting in Hattiesburg May 8, on "Benefits to Be Derived From a State Firemen's Association." Lloyd D. Wheeler will speak on "The Relation of the Mississippi State Rating Bureau to the Fire Department."

Open New Louisville Agency

The Fleming-DeLeuil Insurance Agency, just opened at 1021 Starks building, Louisville, is composed of J. J. Fleming and F. J. DeLeuil. Mr. Fleming until recently was state agent in Kentucky and Tennessee for the Century Indemnity, which recently withdrew from territory south of the Ohio and west of the Mississippi. Prior to that he was with the U. S. Casualty. Mr. DeLeuil for a number of years has been in the general contracting business. E. H. Gatewood, who was with Mr. Fleming in the Century office, will be office manager.

Limit Receivership Actions

OKLAHOMA CITY, April 26.—The Oklahoma senate has passed a house bill which prohibits anyone but the insurance commissioner from filing application for receivership against any insurance company operating in Oklahoma. It applies to both domestic and foreign companies writing any kind of insurance in the state.

It further provides that if a court finds receivership proceedings warranted, it is mandatory that the commissioner be appointed receiver and that he serve without additional recompense. If conditions are found to be such as to require liquidation, the commissioner may appoint a deputy or assistant to conduct the liquidation at the company's expense.

This law was proposed by Commissioner Read to prevent disgruntled stockholders or dissatisfied claimants from

instituting receivership actions against companies when no question of insolvency is involved.

Takes Part in Fire School

J. W. Just, fire department instructor for the Illinois Inspection Bureau, is taking part in the regional training school for firemen at Johnson City, Tenn. He is substituting for Harry K. Rogers of the Western Actuarial Bureau, who sustained a serious injury while putting on his clown act at Wichita, Kan.

**News of Pacific
Coast States****New Deposits Not Required****New Mexico Attorney General's Opinion
Reverses Order of Corporation Commission**

Attorney General Newmann of New Mexico has rendered an opinion holding valid the 1929 law, under which the New Mexico insurance superintendent returned to insurance companies their special deposits in the state. He delivered the opinion after holding a conference with E. R. Wright, representing the National Board. Newmann has advised the state treasurer that if he accepts new deposits of securities he will be individually liable and that such deposits would not be protected under the treasurer's bond.

Late in March, the New Mexico superintendent, instructed by the state corporation commission of that state, demanded of a number of insurance companies that they again make special deposits of \$10,000 each. The state corporation commission had taken the po-

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sition that the 1929 law was unconstitutional.

Late advices from Albuquerque indicate the attorney general's opinion is defied by the corporation commission and that a mandamus will be sought to force the state treasurer to accept the deposit securities.

Form Legion Insurance Post

Insurance Post 404 of the American Legion is being organized in San Francisco, its charter membership of 42 comprising insurance company employees and brokers. F. A. Stuckey, manager claims department Fireman's Fund group, is acting commander with Howard Armstrong, his assistant, as acting adjutant.

At a pre-organization meeting April 21 F. N. Belgrano, Jr., president Pacific National Fire, and Stephen Malatesta, insurance broker, were the principal speakers. Both have been active in legion work nationally for many years.

Mr. Belgrano being a candidate for national commander last year.

C. H. Bruning, insurance broker, presided at the meeting, appointing F. W. Bland, Pacific Coast manager of THE NATIONAL UNDERWRITER, as chairman of the membership committee for life men. The next meeting will be held on May 4.

Plan for Oregon Firemen's School

The Oregon firemen's school, which is held annually under the auspices of the Oregon Fire Chiefs Association, the engineering school of Oregon State College, the state board for vocational education and the state fire marshal department, will be held at Corvallis, June 6-9.

Use Credit Rule Sticker

SEATTLE, April 26.—All policies and invoices sent out by the King County Agents Association members now carry a sticker reading: "Under the new credit

rules of the insurance companies, all premiums are due on the effective date of the policy and will become delinquent 30 days thereafter." It is understood several other coast cities are contemplating using these stickers.

Colorado, Wyoming Fire Figures

DENVER, April 26.—Premiums of the fire companies in Colorado for 1932 totaled \$4,411,307. Losses incurred were \$2,146,543, with a loss ratio of 48.6 percent.

Fire premiums in Wyoming last year were \$943,572, compared with \$1,101,051 for 1931. The incurred losses were \$390,771 with a loss ratio of 41.4 percent.

Plan California Regional Meetings

Another series of regional meetings is now being planned by officials of the California Association of Insurance Agents. Under the tentative plans announced by W. H. Menn, president, the

meetings will commence shortly after May 15 in southern California, with others later in the month at strategic points throughout the state. Mr. Menn and Secretary Colridge will be the principal speakers.

A meeting of the executive committee of the California association will be held in Oakland May 25.

Church Properties Active

SEATTLE, April 26.—Activities of the Church Properties Fire are being closely watched by the Insurance Agents' League of Washington. Agents of the company are active in an endeavor to rewrite many Episcopal churches carried in regular stock companies, the rate quoted in some instances being approximately 50 percent of the premium formerly paid.

Dougherty with Davenport

Dixwell Davenport of San Francisco, coast manager for several companies,

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has appointed G. A. Dougherty manager of the Los Angeles metropolitan department. Mr. Dougherty has recently been with the Firemen's group in southern California and before that with Fred S. James & Co.

Gilfillan Blue Goose Speaker

R. J. Gilfillan of the California-Western States Life presented "The Case for Life Insurance" before the San Francisco Blue Goose April 24.

Doolittle Made Special Agent

The General of Seattle group has appointed C. M. Doolittle special agent in the beach counties of southern California, succeeding J. G. Steffins.

French Heads New Office

Frank H. French has been named as resident engineer in charge of Pacific Factory Insurance Association's new Seattle office.

Motor Insurance Events

Explain New Chicago Rates

Chicago Brokers Explain New Provisions Over Radio—One Out of 11 Cars Stolen

A clear explanation of the new automobile theft rates for the Chicago territory was given over the radio station WCFL by J. Robert Johnson and John C. McMahon, Chicago brokers.

The new manual divides the Chicago territory into three areas, there formerly being two. Rates for the outlying suburbs are decreased, while rates for the metropolitan and inner suburb areas are increased. The Chicago area is more densely populated so the chance of theft is greater and in addition to that some of the outlying communities are enforcing the law more strictly. In order to keep the theft rate down, the companies are basing their rates on a policy which offers 75 percent coverage, 25 percent extra being charged for full coverage.

Messrs. Johnson and McMahon explained the new endorsement which relieves the company of liability if the car is not regularly kept in a private or public garage. The companies are trying to eradicate the evil of higher theft losses through cars being parked in the streets overnight. Formerly companies limited payments to 75 percent of the loss if cars were not kept in a public or private garage. It is hoped that this new provision will greatly reduce the theft ratio this year so that lower rates can be promulgated next year. Mr. Johnson pointed out that the problem of theft rates is entirely up to every automobile owner as the rate is based on experience and one out of every 11 cars registered in the Chicago area was stolen last year, according to statistics.

Bill Curbs Auto Clubs

MADISON, WIS., April 26.—The Wisconsin senate has passed a bill providing that no company shall sell or offer for sale any motor club service in Wisconsin, without first having deposited with the insurance commissioner \$25,000 in cash or securities approved by the commissioner or a \$50,000 bond in the form prescribed by the commissioner and payable to the state.

Auto Rates in Ontario Reduced

TORONTO, April 26.—Reductions in automobile rates in Ontario are announced by the Canadian Automobile Underwriters Association. On fire and theft the reduction is 15 percent. To encourage the purchase of collision insurance, these following percentage reductions are adopted: On \$25 deducti-

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ble, 10 percent; \$50 deductible, 20 percent; \$100 deductible, 30 percent. There is no reduction on full coverage. This reduction does not apply in northern Ontario.

Recently the association decided on a 10 percent reduction where the car owner had made no claims under public liability or property damage. This is now increased as follows: 10 percent discount to car owners who have operated for the past year without claims; 15 percent for two years without claims; 20 percent for three or more years without claims.

Revive Nebraska Auto Club Bill

At the request of Insurance Director Herdman the Nebraska house has rescinded its action in killing a bill passed by the senate, which proposed to bring under the blue sky bureau, of which Mr. Herdman is also head, all automobile clubs, services and others issuing membership covering service and selling insurance. The bill was asked for by Mr. Herdman and has Governor Bryan's approval.

MARINE NEWS

Marine Increase Expected

Abandonment of Gold Standard Expected to Bolster Grain and Steel Foreign Shipments

NEW YORK, April 26.—Ocean marine underwriters are confident that favorable effects of inflation and abandonment of the gold standard, although perhaps somewhat delayed, will be relatively much greater than in other insurance fields.

Not much improvement is looked for under six months. Orders first have to be obtained before American plants can start producing the goods to be sold abroad as a result of more favorable foreign exchange. Obviously it will not be until the volume of shipping increases that increased premiums will come in.

Grain and Steel Affected

Grain and steel will probably be the most markedly affected. Both are considered desirable risks by underwriters, and both have fallen off tremendously in the foreign trade since 1929. Then it was all in a day's work to insure a boatload of grain for \$500,000. Nowadays the same cargo is worth only about \$200,000—and usually the ships are not

fully loaded, which brings down the size of the risk still further.

Steel was the hardest hit of any domestic export commodity, and it is hoped that with the dollar devaluated the United States will get some of the business that Japan, Germany and Italy have been giving to Great Britain because of the latter's favorable exchange position.

While there is some fear that the British may retaliate by devaluating the pound sterling still farther, there is little serious danger of this in the general opinion. There is talk of the possibility of France retaliating, but there again there would seem to be little possibility unless she can get the cooperation of some other nations. Settlement of the tariff situation will also help the foreign trade situation greatly. Almost any decision will be an improvement over the present uncertainty.

Ohio Statement on Fur Cover

COLUMBUS, April 26.—The Ohio department has issued a statement making clear its position on fur dealers' insurance. It does not object to a plan under which a furrier or fur storer issues to customers a certificate or memorandum of insurance which signifies that insurance is carried by the furrier or fur storer protecting his own responsibility as bailee for the property in his custody, but such certification must clearly indicate that such insurance is limited to the period during which such responsibility and custody exist.

Illinois Agents in Midyear Meeting

(CONTINUED FROM PAGE 5)

agree to underwrite the unpaid dues and collect from the delinquents.

Allan I. Wolff of Chicago, chairman national executive committee, said that most state associations are in pretty good shape financially. He said that a state's revenues and expenses should be scientifically budgeted. The amount due the National association, he said, should be set aside and a state association then should live on the balance.

Many problems, he said, are facing agents these days. The National association management, he stated, has recently concentrated on the effort to divorce insurance from banking.

The branch office survey made by the national headquarters, he said, indicated that the so-called country agents are not fully awake to the danger. The branch office, he held, is a problem everywhere, even among farm agents. This branch-office subject he said is aggravated by the casualty companies. He finds there are definite indications that some surety companies are endeavoring to adopt a policy in certain directions that calls for reduction of commissions. He cited the recent contract bond controversy at Washington where employment relief projects were contemplated. He said that rates were reduced and commissions cut but the net rates to the companies remained the same. In other words, the agents were making all the sacrifice. When depository bond rates increased, commissions were cut 10 percent. He said that this would not be possible if there were no branch offices. He feels that some companies in the depression have taken considerable punishment because of their branch office operations.

Hall Tells of Farm Situation

Mark I. Hall of Fairbury called attention to the protest made by the Illinois association to companies in writing over the heads of agents on farm business. Many farms are plastered with mortgages. Most of the mortgages are owned by federal land banks, life companies or other loan institutions. When foreclosure is made, these loaning companies evidently have a deal with some large city agent or broker to take over all the property foreclosed. Mr. Hall

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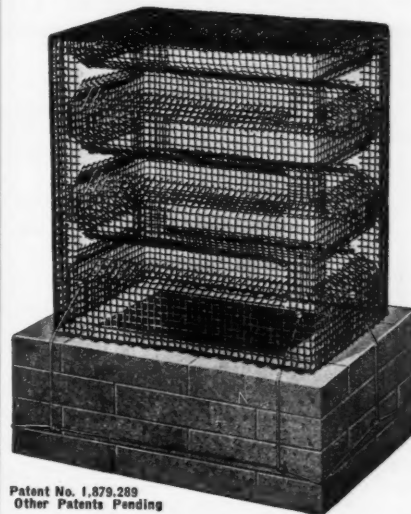
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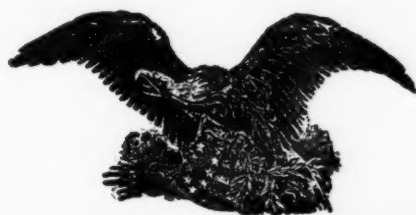
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said that his agency had lost 100 farm risks through this route. The large city agent or broker is not conversant with farm problems and he secures the business without rendering any service. In some instances, he said, where premium notes become delinquent the property is placed on the schedule of a large company to protect the rights of mortgagees.

Extra Hazardous Compensation Risks

W. H. Stewart of Chicago reported on the plan adopted for the writing of extra hazardous workmen's compensation risks where companies do not desire to handle them. The committee that was appointed at Chicago has worked out a plan whereby such a risk is assigned to companies in the pool. No commission, he said, is paid to an agent. The assured deals direct with the company or the committee.

At the afternoon session there were two set speakers, John J. Hall, street and highway safety director of the National Bureau of Casualty & Surety Underwriters, and H. H. Rolfe of Chicago, claims attorney of the Globe Indemnity. Mr. Hall told what the National Bureau is doing along automobile safety lines. He said that the increase in automobile rates is not only detrimental to insurance as a whole but it affects the sale of cars, oil industry, etc. A local agent, he said, should adopt some program of a definite nature so that he can assist in safety work. The driver's license law which has proved effective in a number of states he said has passed the Illinois senate and is on second reading in the house.

Mr. Rolfe spoke on occupational diseases. Hamilton M. Loeb of Chicago, chairman of the legislative committee, gave a report on a number of bills affecting insurance now before the legislature. Ralph W. Miller of Conkling, Price & Webb, chairman of the resolutions committee, closed the meeting with his report.

Ernest Palmer Honored

At the banquet President H. A. Behrens of the Continental Casualty was the guest speaker. The banquet was in honor of Insurance Superintendent Ernest Palmer and there was a large turnout in consequence. At the speakers' table sat representatives of the Chicago Board, Illinois Insurance Federation, Chicago Association of Life Underwriters, Health & Accident Underwriters Conference, Illinois Brokers Association, Chicago Surety Underwriters Association, Chicago Association of Insurance Agents and the Casualty Insurance Managers Club. C. M. Cartwright of THE NATIONAL UNDERWRITER was toastmaster.

Mr. Palmer in his talk said that he had found since taking office that there is a fine type of men in public work. He said some very efficient and faithful effort is being put forth by these people. He asserted that he had the backing of the state administration. The members of the legislature he said are interested in anything pertaining to insurance and they are earnestly trying to get all the information possible.

Will Recodify the Laws

He said that at the next session of the legislature in 1935, he hopes to present a model insurance code as the insurance laws in Illinois need recodifying. He intends early in the summer to address all insurance bodies of all sorts, asking them to make suggestions for laws pertaining to their special line. The attorney general's office and experts

from the insurance department will then go over carefully every department of the business and aim to get a model code. He outlined his plans for a new form of license law, now introduced, whereby an agent qualifies for a license with examination. That will permit him then to represent any company without going through the form of passing another examination. He said that he is attempting to assist the state companies and help them out of their difficulties. He referred to the bill introduced conferring great powers on the superintendent with the sanction of the governor to deal with companies that may not be able to pass muster.

President Rockwood Hosmer closed the banquet program, opened it and spoke seven times during the course of the proceedings.

Hassinger to Head Louisiana Society

(CONTINUED FROM PAGE 5)

morally responsible for the return of the unearned premium when the policy was written in good faith and the company was solvent at the time the policy was delivered. Neither is the agent in duty bound to rewrite the policy in another company to protect the business.

Readjustment of dues providing for a higher fee from the larger agencies was approved, the executive committee believing the income will cover expenses and that it will not have to depend on voluntary subscriptions.

Loss Ratio Is 82 Percent

In discussing the increase in fire insurance losses, President John X. Wegmann of the Lafayette Fire, reported that the 1932 fire premiums were \$6,251,564 and losses \$5,146,848, the loss ratio having increased from 51 percent in 1929 to 82 percent in 1932. Mr. Wegmann pointed out how insurance agents can cooperate with companies in keeping down losses by careful inspection of risks, preventing over insurance and by watching moral hazard.

In a resolution, the issuance of dual compensation rate sheets for stock and mutual companies, was protested.

A suggestion was made to change the name of the Louisiana Insurance Society owing to the number of general benefit and assessment organizations bearing the name "society," but was held over until the 1934 meeting.

Companies Resent Illinois Memorial on 60-Day Clause

(CONTINUED FROM PAGE 3)

about a loss, in which the mutuals were interested to the extent of 25 percent and the stock companies 75 percent. The mutuals paid immediately while the stock companies invoked the 60-day clause. Others complained that the 60-day clause worked hardship on those who suffered a loss and could not finance repairs until the insurance money was forthcoming.

The companies are distressed at the note sounded by the Illinois agents, because the 60-day clause is credited with already working miracles. Some companies report that their losses have been cut in half and the March estimate of losses as prepared by the National Board was one of the lowest in years. The companies feel that the business should present a united front in favor of the 60-day clause.

Col. John R. Simpson of New York City has been elected on the board of the Fire Association, Victory and Reliance. He is well known in New York financial and manufacturing circles, being a director of the Fiduciary Trust Company of New York, Tri-Continental Corporation, General American Investors Corporation, Consolidated Oil Corporation, McCall Corporation, Hat Corporation of America, Sidney Blumenthal & Co. and Van Raalte Corporation.

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EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President

The National Underwriter

April 27, 1933

CASUALTY AND SURETY SECTION

Page Thirty-one

Claims Stirred Up in Disease Cases

H. H. Rolfe of the Globe Indemnity Says Attorneys Are Active

TALK TO ILLINOIS MEN

Some Important Facts Are Cited in Connection with Maladies Due to Occupation

H. H. Rolfe of Chicago, claims attorney for the Globe Indemnity, in his talk before the Illinois Association of Insurance Agents at Springfield on occupational diseases said that in the standard workmen's compensation policy there has always been considerable doubt in the minds of officials as to whether occupational diseases were covered. The same policy is used in almost all states. When disease cases came up each was settled as an individual matter and a company had to decide what it would do. Riders were used to extend the coverage to occupational diseases where desired for extra premium.

Silicosis Claims Arise

As time went on some judgments were secured against employers, especially in silicosis cases. The most famous case in Illinois was the Belleville Enameling & Stamping Co. vs. U. S. Casualty. The general opinion was that under agreement 7, the company did not assume liability for occupational disease unless the workmen's compensation law included it. Through a decision of the Illinois supreme court this principle was upheld. Therefore employers found that they had no protection against occupational diseases unless endorsements were used. Various forms of endorsements are being utilized, said Mr. Rolfe. He thinks that in due season there will be a standardized form adopted. In cases of endorsement there are some interesting problems arising. This is particularly true where an employee may have contracted a disease before the endorsement was put on. The employer, therefore, holds the bag.

Common Law Applies

So far as occupational diseases are concerned, the common law applies. An employer must provide a safe place to work and there must be safe processes. Where there are violations, recoveries under the common law can be gotten. Finally lead, brass and zinc works were placed under the jurisdiction of the industrial board. The Illinois supreme court in its later decisions included these three occupations and made diseases arising from them come under the jurisdiction of the industrial board. The silicosis cases arise largely from these three processes.

Mr. Rolfe said that owing to the fact

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Inadvertent Reference to Insurance in Case Upheld

ILLINOIS HIGH COURT RULE

Vice-president Moloney of Hartford Accident Tells Casualty Adjusters Bars Are Down

Court decisions in Illinois practically are writing a provision into the statutes putting third party liability in automobile injury cases on the insurance companies by making them virtually co-defendants, although a bill in this session of the legislature to make insurance companies co-defendants in such cases was killed, George H. Moloney, vice-president Hartford Accident, in charge of the western office at Chicago, told the Casualty Adjusters Association at a meeting. President J. F. McDonough, Employers Liability, presided.

The situation in Illinois is especially bad since the Illinois supreme court has just ruled that "inadvertent" mention of insurance in a case by a witness is not sufficient cause for mistrial. This decision, it is believed, throws down the bars to "ambulance chasers" who may confidently be expected to coach witnesses to mention insurance "inadvertently," Mr. Moloney believes.

Contrary to Old Precedent

There have been a number of decisions in Illinois recently along this line and completely opposed to the old precedent that any mention of insurance in a personal injury case was sufficient cause for mistrial.

It is well known that plaintiffs' lawyers for years have used every artifice to get this information before juries, which are prone to grant larger verdicts where there is insurance. In Wisconsin by statute it is permitted to make insurance companies co-defendants in such cases. In Nebraska, court procedure permits such an advantage, although it is not law.

Mr. Moloney cited public liability and property damage rates in Milwaukee and Chicago. For \$5,000/\$10,000 limits on Fords, public liability runs \$36 in Milwaukee and \$34 in Chicago; property damage \$12 in Milwaukee and \$11 in Chicago. The rates outside the larger centers are: Wisconsin, public liability \$19, property damage \$7; Illinois, public liability, \$14, property damage \$5.

Results in Higher Rates

Mr. Moloney credits this disparity in rates almost entirely to the Wisconsin law. He finds this puts a penalty on the careful driver and a premium on the careless one. Mr. Moloney says insurance rates are adjusted to take care of this cost.

In the Illinois supreme court's case entitled Cleo Williams vs. the Consumers Company, (Docket No. 21646, agenda 22) the court makes much of the fact that the defense attorney failed to move to strike out the unresponsive statement or to instruct the jury to disregard it. Instead the attorney moved for withdrawal of a juror and declaration of mistrial, which was denied. Mr. Moloney says that is the only effective

Urges the 'Quake Exclusion Clause in Glass Policies

FAVORS REINSTATING RIDER

Losses of Some Companies in California Disaster Equal Total Income in State for Year

An important plate glass insurance executive has written to THE NATIONAL UNDERWRITER, advocating reinstatement of the earthquake exclusion clause in the plate glass policy. The statement is made that losses of certain companies in the recent southern California earthquake equal the total premium income in California for the year.

Because of favorable climatic conditions, which keep plate glass losses from normal causes lower than in parts of the country where changes of weather are more violent and frequent, California enjoys one of the lowest plate glass rates in the country, this official points out. But this rate does not attempt to cover the earthquake hazard.

Impossible to Underwrite

The statement is made that earthquake is one plate glass hazard impossible to underwrite with any degree of accuracy. It was not covered by the standard plate glass policy until three years ago when a change deleted earthquakes from the exclusion clause. The change was then made because of the comparatively infrequent occasion that would give rise to a loss from an earthquake, considering the country as a whole. But the fact, according to this official, that the national average is low is no consolation for companies which see the losses from the recent California quake spoiling the experience for the entire state.

Charging rates sufficiently high safely to cover the earthquake hazard in the territories where earthquakes are likely to occur would be difficult, this official states. To shoulder on assureds everywhere the cost of earthquake losses in a few localities is manifestly unfair, he contends.

course open to defense attorneys in such cases.

The case originated in the circuit court of Cook county, Ill. The circuit court denied defense motion for directed verdict. A witness testified he reported the accident to a man in the Consumers Company, "and he sent me to the insurance company." The plaintiff's attorney assured the court that he did not know the witness was going to make such an answer.

Court Cited Precedent

The Illinois supreme court stated, "We have examined these cases, but find none where a mistrial has ever been granted on account of an inadvertent or unresponsive answer to a witness to a legitimate inquiry. Generally where prejudicial error has been declared, it is found to have been due to some misconduct or improper remarks or questions of counsel, oftentimes repeated and calculated to influence or prejudice the jury." Judgment of the appellate court affirming superior court judgment was affirmed.

International Re End No Surprise

Hansen's Olla Podrida Was Source of Amazement to Casualty Business

THREE RECEIVERS NAMED

Head of Company Anticipates Action of Commissioners and Brings Action on His Own Account

That receivership for the International Reinsurance was inevitable was the belief of the casualty business for some time. That the end was imminent had also been known for several weeks. The company was refused permission to write compensation insurance in New York and California several weeks ago and complaints that claims were not being paid were widespread.

Many casualty people for a year or more had expressed amazement that the International was able to stave off receivership as long as it did. Carl M. Hansen was following the spectacular course of gathering together companies of every color. He had the reputation of being a shrewd operator and some people in the business, even to the last, were inclined to credit him with the ability to transmute lead into gold or make one good casualty company out of half a dozen or more lemons.

Loved to Turn a Deal

Mr. Hansen apparently loved to turn a deal. He often made his decisions on the spur of the moment and would close over the long distance telephone. In addition to the companies that he did take over, he approached any number of others or was approached by them in more or less formal manner. Sometimes these conversations would lead to rumors that a company was about to be taken over by the International and this proved embarrassing to the companies so mentioned. Mr. Hansen seemingly was out to make a killing or blow up in spectacular fashion.

Its Reinsurance Business

Mr. Hansen, himself, was behind the petition for receivership and he was appointed one of the receivers. Action was taken in chancery court at Wilmington, Del. The other receivers are Arthur G. Lozen, attorney of Wilmington, and George DeB. Keim of Edgewater Park, N. J.

A convention examination of the International Reinsurance was started April 17 and the supposition is that Mr. Hansen, knowing that the outcome would be receivership, stepped in and had a receiver appointed on his own account.

The International Reinsurance did not transact much of a regular treaty reinsurance business. An attempt was made to enter the competition for treaty business

(CONTINUED ON PAGE 30)

Illinois Federation Annual Meeting Held in Springfield

CHANDLER AGAIN PRESIDENT

Reports Tell of the Activity of the Organization in Legislative Work

At the annual meeting of the Illinois Insurance Federation at Springfield, Frank M. Chandler of Chicago, wearing a white carnation in his button hole, presided and was reelected as head of the organization. The secretary, E. M. Ackerman, gave his report of the activities saying among other things that his office is in a position to secure insurance speakers at business meetings and clubs. The Federation has 430 members.

W. O. Schilling, manager United States Fidelity & Guaranty at Chicago, who is first vice-president, gave the report on legislation, saying that 118 bills had been introduced affecting insurance. He spoke of the advisory council, representing various insurance interests that meets in Chicago every Monday, going over the legislative program for the week.

The report of the nominating committee was read by W. W. Steiner of Chicago, manager Globe Indemnity.

President Chandler's Recommendations

President Chandler said that this is the 20th year of the federation. He called attention to the plan worked out by the special committee on extra hazardous workmen's compensation risks, saying that it is necessary to handle them separately. It was found that unless the regular carriers would agree to underwrite these risks a state fund would have to be established. With the formation of this pool he thinks that now the state fund idea has been eliminated. He said that these risks now are not being written by companies so that the fact that no commission is being paid to agents will not deprive them of any income. Mr. Chandler said that before a man belongs to the federation he should be a member of the organization of his own group. He advocated the prorating of federation expenses among the various groups and organizations.

J. C. Lanphier of Springfield, former federation president, presented the report of the committee on resolutions. They stated that \$6,000,000 is now being paid by insurance companies to the state and less than 5 percent is appropriated for the maintenance of the insurance department. The committee recommended very hearty support of House Bill 631, which would separate the insurance department from the department of trade and commerce. The resolutions commended Insurance Superintendent Ernest Palmer, saying that he was recognized for his superior ability and courage.

Continental Casualty Branch in Chicago Starts Campaign

Vice-President H. A. Glasgow of the Continental Casualty of Chicago and J. C. Griswold, resident vice-president in charge of production in the branch office in Chicago, addressed the annual pep rally of the branch attended by department heads and assistants. This inaugurated a new business campaign and is an annual feature. Producers of the branch are divided into four classes according to premiums, and prizes are offered in each class. Production is on a point basis, one point being allowed for each application and one point for each \$25 premiums. The first five leading producers in each division will qualify for a day's outing at Knollwood Country Club the latter part of June, with officers of the branch as hosts.

Fear Greatest Enemy of Mankind, Behrens States

President H. A. Behrens of the Continental Casualty in his talk before the Illinois Association of Insurance Agents at Springfield last week said that fear has dominated the thought and action of mankind and he characterized it as the greatest enemy of the human race. The human mind, he said, is not always above doubt and fear. In times like these, unless it thinks clearly and correctly, it is apt to be engulfed in the mesmeric influence of an intangible and unjustified belief of disaster. He said that the United States had a very visible demonstration of this in the events which led up to the recent bank moratorium. Now that it is over, he said, it is clearly seen that the great trouble with the situation was senseless fear. The efficient steps of the federal government brought the people out of that fear. He said that when confidence prevails, fear vanishes.

Great Stabilizer of Credit

Insurance, Mr. Behrens declared, has been the great stabilizer of credit. It has protected against loss by misfortune of past accumulated saved earnings in the form of property and against the loss of prospective future earnings, which is primarily life insurance. It has done so by merging individual misfortunes into averages, and these averages, roughly speaking, are the insurance premiums. The accumulations of the remainder of these premiums at interest, after paying current claims and expenses, are the reserves that guarantee future loss payments. Millions and millions of claims for billions and billions of dollars have been promptly paid.

Singularly Free From Failures

The orthodox companies today, he said, after all the ups and downs of general business for over four generations, still stand both ready and able to continue to discharge their functions promptly. He said that viewed broadly for a long stretch of years, the insurance business has been singularly free from failures. Some companies have dropped by the wayside and undoubtedly there will be similar experiences in the future. The very fact that these isolated cases are sensational, bears eloquent testimony to the rarity of them. Compared with every other financial activity, the record of insurance in this regard stands unique in having a minimum of disappointment to those who have placed their faith in it, Mr. Behrens said. Policyholders, he said, have deep-rooted faith in the beneficent functions of insurance, the scientific accuracy of its

underlying principles, and the legitimacy with which these principles have been put into practice.

Nothing, he said, should be done to impair the faith and confidence of these policyholders. Nothing should be left undone that will enable the policyholders to continue to enjoy the feeling of peace and security that insurance gives them. Investments of insurance companies, he said, consist of the savings of policyholders. They are invested in mortgages, in bonds and in other constructive undertakings. It is these moneys which make for the peace and security of policyholders. Policyholders, he declared, do not want property. They do not want to foreclose mortgages. They do not want to cause misery in the world. They want continued, safe insurance protection. They want to be as lenient as they can to honest debtors so that as an ultimate proposition their investment made in good faith will be returned to them with a modest rate of interest. The life companies alone, he said, have over 60,000,000 policyholders in this country and they have a right to expect that the conservative investments which they have made will be repaid in good faith.

Insurance Does Not Repudiate

In continuation, Mr. Behrens said: "I know that it is quite stylish these days to talk about scaling down debts. Our forefathers called that process by the harsher term of repudiation. Perhaps they were less polite, but certainly they were much nearer correct. We as representatives of these millions of policyholders say to legislators as we have said and proved for over a century that sound insurance does not repudiate its obligations. It pays full measure and has the right to receive even as it gives."

"Confidence is an attitude of mind. It exists in the area of our own thinking. We as insurance men can and do have confidence based on the fruitage of our industry for over 100 years and based upon our knowledge that our industry is predicated on right principles. Having that confidence, we reflect it to our policyholders and they have confidence, and, when confidence reigns, fear goes."

"As insurance men we can make that attitude constructive and helpful beyond the boundaries of our own business. The fact that one industry has confidence is an example to others. It helps to lift the thoughts of our fellowmen to a recognition of the tremendous possibilities for good in our country and to gratitude for being a part of it."

"Time Saver" Shows Changes in Accident-Health Policies

Distribution of the 1933 edition of the Time Saver, the annual accident and health policy analysis book published by THE NATIONAL UNDERWRITER, begins the latter part of this week. This book as usual presents an analysis of all commercial contracts issued by 100 leading accident and health companies as well as the monthly premium contracts for many of these companies. In addition are the Dec. 31, 1932, financial statements on companies writing \$100,000 or more of premiums, these statements showing clearly the security valuation basis upon which the statements is made and indicating also the amount of any contingency reserve which may have been set up by each company. An important section of the book is that giving detailed information about companies, including date of organization, lines written, states where licensed, and acci-

dent and health department officers. In this division also will be found information about the occupational manual used by each company. This is important for interpreting the rates.

Among the important changes which have been made by accident and health companies last year are the increase in rates made by each of 30 members of the Bureau of Personal Accident & Health Underwriters in the accident reimbursement contract; the reduction by a number of companies in both accident and illness indemnities on a progressive scale, beginning at age 56; the issuing of more regular policies with waiting periods and the distribution of \$12 and \$15 annual premium contracts. The entire tendency the past year has been in the direction of increased rates and restriction of coverage.

(CONTINUED ON LAST PAGE)

New Installment Method Is Adopted on Auto Premiums

GLOBE INDEMNITY HAS PLAN

Policy Issued for Full Year with Terms of Payments in an Endorsement

NEW YORK, April 26.—In substitution for the plan initiated by it four years ago, the Globe Indemnity has a new method for the payment of automobile premiums, under which it issues policies for the full year, the terms and dates upon which installments fall due being written in an endorsement.

Illustrating the method under which premiums may be arranged the company gives the following examples:

Policy premium \$35, effective April 20; payable on delivery, \$11; June 1, \$6; July 1, \$6; Aug. 1, \$6; Sept. 1, \$6. Policy premium \$60, effective April 5; payable on delivery, \$24; July 1, \$20; Oct. 1, \$16.

Policy premium \$76.80, effective April 3; payable on delivery \$21.80; May 1, \$11; and \$11 on the first day of each successive four months.

Policy premium \$112.80, effective April 9; payable on delivery \$46.80; July 1, \$33; Oct. 1, \$33.

Policy premium \$86.70, effective April 10; payable on delivery, \$46.70; July 15, \$40.

Policy premium \$17, effective April 6; payable on delivery, \$7; May 1, \$5; June 1, \$5, or on delivery, \$7; July 1, \$5 and Oct. 1, \$5.

It is required that the deposit premium be not less than 25 percent of the annual, and that it must equal or exceed the short rate premium to due date of the next installment. A further stipulation is that any installment added to deposit, plus any prior installment, must equal or exceed the short rate premium for the period from date of policy to due date of next installment or end of policy period. The total number of deposits, including the original, must not exceed six nor can the date of final installment be later than six months from the policy date. The minimum of any deposit allowed is \$5. Unless installments are promptly made, cancellation of the policy will be insisted upon.

Illinois Department Wants All Policy Contracts Filed

Superintendent Palmer of Illinois has directed every insurance company or organization of every kind authorized to transact business in the state to file immediately with the department a copy of every policy being issued in the state. All contracts will be carefully examined in order to determine whether they are in accordance with the law and whether they are fair and equitable.

In the absence of standard policy laws, which definitely fix by statute the terms of policy contracts, it has been found that some companies are offering contracts to the state which should be corrected. Present powers of the department are said to be broad enough to accomplish results, sought to be attained by this ruling. The use of any policy which has not been approved by the department will not be permitted.

Kill State Surety Fund Bill

PHILADELPHIA, April 26.—Concerted action on the part of Philadelphia and Pennsylvania agents in protesting to legislators against the proposed measure killed the move for creation of a state surety fund. The bill, which passed the house, called for creation of a surety bond fund to insure all state employees except members of the treasury department, but is now buried in the finance committee of the senate.

Premiums and Losses in 1932 in IOWA on All Casualty Lines

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses
Aetna Casualty	202,177	79,194	75,066	44,939	2,079	250	28,759	16,567	49,782	9,390	1,330	1,956	32,484	4,210	42,790	17,312
Aetna Life	136,276	83,429	1,650	1,767	16,862	1,767	28,759	16,567	49,782	9,390	1,330	1,956	32,484	4,210	42,790	17,312
Allied Mut. Auto.	218,715	103,115	108,690	49,631	16,862	1,767	28,759	16,567	49,782	9,390	1,330	1,956	32,484	4,210	42,790	17,312
American Auto.	47,283	39,075	46,612	37,714	16,862	1,767	28,759	16,567	49,782	9,390	1,330	1,956	32,484	4,210	42,790	17,312
American Casualty	1,765	7,605	1,451	7,484	3	3	10,473	13,322	4,146	62	15	704	1,092	734	313	58
American Employers	45,516	29,960	14,944	9,860	2,901	1,778	10,473	13,322	4,146	144	704	245	1,092	734	6,965	3,897
American Indemnity	2,090	2,746	1,676	1,965	3	3	10,473	13,322	4,146	50	704	245	1,092	734	1,009	756
American Mutual Liab.	39,573	43,156	5,202	897	3,516	459	48,163	40,470	50	50	704	245	1,092	734	351	1,327
American Reinsurance	5,542	7,119	757	6,385	453	453	3,765	18	266	62	15	704	1,092	734	372	43
American Surety	216,134	56,813	6,428	130	2,416	1,810	2,131	2,443	181,428	49,630	1,028	224	10,741	1,719	2,958	854
Assoc. Indemnity	12,236	1,336	8,134	220	37	37	208	90	25	25	5	457	25	25	4,225	1,022
Autoist Mutual	21,780	2,621	10,869	1,027	37	37	208	90	25	25	5	457	25	25	7,786	1,198
Bankers Indemnity	6,850	1,115	3,227	5	1,261	51	374	201	13	13	202	147	147	147	1,572	785
Belt Casualty	3,544	914	1,014	615	1,261	51	374	201	13	13	202	147	147	147	1,613	224
Bitum. Casualty	175,657	130,802	889	174,768	130,802	174,768	130,802	174,768	130,802	174,768	130,802	174,768	130,802	174,768	130,802	174,768
Bldrs. & Mfrs. Mutual	20,101	27,487	1,593	15	2,230	15	2,230	15	2,230	15	39	39	39	39	1,304	112
Cas. Recip. Exch., Mo.	7,641	6,491	1,898	2,263	265	265	3,908	2,511	3,908	2,511	3,908	2,511	3,908	2,511	90	1,385
Central Mut., Ill.	600	1,761	8,109	396	396	396	17,164	6,182	27,358	756	6,307	2,955	2,388	911	11,280	913
Central St. Mutual	24,587	41,690	25,307	27,117	5,018	228	17,164	6,182	27,358	756	6,307	2,955	2,388	911	12,145	4,181
Central Surety	97,545	31,881	25,767	25,717	3,547	31	5,139	1,928	2,526	769	900	575	1,994	421	11,740	4,260
Central West Casualty	51,658	4,237	4,415	3,462	845	845	1,741	436	4,991	1	199	234	421	234	92	30
Century Indemnity	12,993	7,610	2,308	20	1,733	1,424	2,385	511	5,920	2,337	441	325	2,447	819	—888	—
Columbia Casualty	8,795	2,827	1,276	755	571	571	561	368	212	212	70	12	331	8	713	411
Commerce Casualty	6,097	42	195	263	79	79	502	16	—774	23,444	1	3	—	—	—10	—
Commercial Cas.	831	23,646	53	79	79	79	502	16	—774	23,444	1	3	—	—	—10	—
Consolidat. Indem. & Cas.	356	578	747	1,646	640	640	778	578	2,881	887	143	53	—416	186	396	352
Consolidated Unds.	778	10,787	747	1,646	640	640	778	578	2,881	887	143	53	—416	186	396	352
Continental Indem.	5,233	115,578	29,919	14,686	8,051	1,506	22,220	15,294	21,023	12,185	3,075	1,621	5,479	1,097	14,840	5,327
Continental Cas.	210,048	7,454	—2	20	—	—	—	111	7,477	8,946	—	—	—	—	—	—
Detroit Fld. & Sur.	7,454	9,360	—2	20	—	—	—	111	7,477	8,946	—	—	—	—	—	—
Eagle Indemnity	30,858	9,035	7,275	3,591	1,765	250	10,332	3,853	3,238	—242	900	457	3,290	69	3,162	1,037
Employers Liability	171,491	90,795	44,686	32,225	25,586	4,637	54,067	32,624	2,865	—1,226	3,902	1,228	4,154	1,762	21,749	8,289
Employers Mut. Cas.	594,319	306,116	175,293	71,662	26,857	8,121	241,984	173,203	—	—	—	—	—	—	108,508	38,524
Employers Mut. Indem.	551	680	302	61	61	61	1,881	680	—	—	—	—	—	—	120	—
Employers Mut. Liab.	1,861	35,821	37,658	10,386	2,530	2,530	1,443	—	4,885	—	43	—	991	—	273	264
Employers Reinsurance	58,671	35,821	37,658	10,386	2,530	2,530	1,443	—	4,885	—	43	—	991	—	273	264
European Gen. Reins.	69,404	23,504	19,433	10,934	4,150	35	5,145	2,943	1,609	1,008	—	—	22,952	3,468	169	—
Excess, N. Y.	6,675	2,038	459	900	4,552	—	—	—	1,609	—	—	—	72	—	—88	—
Farm. A. Int. In. Ex. Cal.	264	597,755	58,996	40,877	—	—	—	—	—	—	—	—	—	—	177	—
Farmers Mut. Hail.	628,807	20,270	34,985	2,813	38,132	28,790	178,552	152,218	64,742	24,624	6,062	2,055	27,628	7,083	48,357	20,816
Farm. Un. Mut. Auto. Ia.	70,453	307,367	97,525	51,189	38,132	28,790	178,552	152,218	64,742	24,624	6,062	2,055	27,628	7,083	48,357	20,816
Fidelity & Casualty	505,039	110,499	7,335	886	1,015	842	3,235	842	124,871	106,431	367	89	9,779	3,976	3,501	810
Fidelity & Deposit	135,218	3,098	7,335	886	1,015	842	3,235	842	124,871	106,431	367	89	9,779	3,976	3,501	810
Fireman's Fund Indem.	21,366	1,059	414	990	117	117	—	—	384	—	—	—	319	—	18,807	2,228
First Reinsurance	4,500	4,855	28,891	3,801	1,088	8,487	5,200	—	—	—	—	—	—	—	8,070	3,083
Freemort Motor Cas.	35,333	14,312	13,913	694	—373	—	183	1,444	—67	—37	—62	109	—164	53	—326	197
General Accident	42,683	2,405	—999	2,846	1,069	4,425	18	27,346	4,136	—	—	—	4,418	271	222	3
General Indemnity Corp.	—2,081	53,704	10,902	2,846	1,069	4,425	18	27,346	4,136	—	—	—	4,418	271	222	3
General Reinsurance	53,158	5,911	5,258	485	781	1,333	1,704	2,846	—3,629	246	21	1,054	467	21	2,431	1,103
Glens Falls Indem.	26,051	75,414	39,042	31,912	10,036	2,108	43,369	29,367	12,985	4,709	1,675	324	6,191	911	14,252	5,132
Globe Indemnity	132,508	10,362	8,911	569	3,423	128	5,960	3,080	4,487	4,785	578	219	2,939	106	4,228	867
Great American Indem.	35,071	877	—	—	—	—	—	—	877	—	—	—	—	—	—	—
Guarantee of No. Amer.	877	41,710	31,657	19,054	4,591	96	27,889	14,499	1,109	381	1,109	381	967	100	21,079	7,577
Hardware Mut. Cas.	87,998	89,743	49,236	24,515	10,668	1,699	27,962	25,614	34,075	25,482	1,856	1,051	16,513	5,172	19,026	5,545
Hartford Accident	162,986	112,952	165,069	63,068	—	—	—	—	—	—	—	—	—	—	118,031	27,346
Hawkeye Casualty	313,698	73,344	12,701	60,587	7,745	3,895	20,277	8,274	6,991	19,841	191	37,521	—818	599	5,457	2,507
Home Indemnity	34,082	167,944	172,212	60,587	7,745	3,895	20,277	8,274	6,991	19,841	191	37,521	—818	599	184,892	61,293
Home Mutual, Ia.	507,512	15,034	11,435	8,044	—	—	—	—	206	324	—	—	—	—	7,935	6,172
Illinois Casualty	22,259	16,494	16,898	5,774	2,533											

Companies Writing other Classes of Casualty Business in Iowa

ACCIDENT AND HEALTH			PREMS.		LOSSES		NON-CANCELLABLE H. & A.		PREMS.		LOSSES		PREMS.		LOSSES	
Abraham Lincoln	4,120	\$ 2,052	Great Western	114,184	75,669	Aetna Cas.	596	50	Royal Indem.	682	141					
Aetna Cas.	278	184	Hdw. Mut. Cas.	111	662	Aetna Life	2,232	230	Standard Accel.	3,660	429					
Aetna Life	91,708	65,094	Hartford Accident	2,745	112	Business Men's	877	165	Travelers Indem.	6,114	429					
Amer. Bankers	11,610	7,626	Home Indemnity	1,597	648	Columb. Natl.	4,619	25,112	Total, 1932	\$ 85,683	\$ 5,990					
American Cas.	12	922	Indem. of No. Amer.	2,250	45	Cont. Assur.	16,572	4,748	Total, 1931	90,301	16,615					
American Employ.	2,521	922	International Reins.	99,777	62,710	Cont. Cas.	18,842	3,356	ENGINE AND MACHINERY							
American Reins.	—19	—	Interstate Bus. Men's	2,747	175	Craftsman	9,701	6,083								
Amer. Republic, Ia.	12,132	4,125	Iowa Mut. Liab.	900,553	855,185	Equit. Life, N. Y.	610	617	Aetna Cas.	925	901					
Bankers Indem., N. J.	50	71	John Hancock Mut.	328	2,747	General Reins.	83	12,728	Amer. Employ.	107	—					
Ben. Ry. Employ.	113,354	69,287	London Guar.	2,500	2,109	Great North Life	26,769	10,781	Amer. Mut. Liab.	2,340	—15					
Bldrs. & Mfrs.	125	200	London & Lanc.	20	—	Loyal Prot.	17,785	5,035	Continental Cas.	—15	216					
Business Men's	59,745	37,074	Loyal Prot.	33,866	30,679	Mass. Indemnity	1,737	190,560	Eagle Indem.	216	1,858					
Central Surety	1,851	266	Lumber Mut. Cas.	—652	50	Mass. Prot.	273,986	377	Employ. Liab.	1,858	399					
Central West	31	137	Maryland Cas.	8,292	10,489	Metropolitan Life	377	55,694	Europ. Gen. Reins.	—67	—					
Century Indem.	285	71	Mass. Bonding	32,223	16,739	Monarch Life	69,024	73,611	Fidelity & Cas.	1,331	—					
Columbia Cas.	3,654	2,171	Mass. Indemnity	587	627	Pacific Mutual	69,476	4,296	Hartford St. Boiler	23,565	1,554					
Columb. Natl. Life	4,224	849	Mass. Protective	8,382	10,695	Paul Revere Life	10,209	1,131	Maryland Cas.	—126	5,442					
Columb. Natl.	6,446	2,055	Mercer Cas.	4,300	5,080	Reliance Life	277	277	Ocean Accident	5,442	—					
Commerce Cas.	2,358	1,271	Metropol. Cas.	117,365	91,713	Sentinel Life	1,131	277	Royal Indem.	718	—					
Commercial Cas.	167	6	Midwest Life	5,177	1,193	Travelers	1,510	403,789	Standard Accident	2,981	30					
Constitution Indem.	82	6	Mo. State Life	12,846	5,140	Total, 1932	\$ 524,778	378,690	Travelers Indem.	1,112	—					
Cont. Cas.	88,560	38,743	Monarch Life	6,243	612	Total, 1931	\$ 597,569	403,789	SPRINKLER LEAKAGE							
Cont. Life	13,977	7,981	Mut. Ben. H. & A. Assn.	384,405	282,349	CHECK FORGERY										
Craftsman	12,051	6,266	Mutual Cas. Ill.	5,688	944											
Eagle Indem.	333	19	†Nat. Ben. Accel. Assn.	45,411	18,407	General Indemnity	\$ —643	53								
Employ. Liab.	11,234	10,753	National Cas.	15,464	11,267	Total, 1931	\$ 1,710	76								
Employ. Mut. Benefit	1,507	547	National Life, U. S. A.	1,273	5,421	CREDIT										
Employ. Mut. Cas.	6,067	322	Natl. Travel	128,680	78,159											
Empl. Reins.	5,701	11,267	New Amsterdam	1,797	6,375	Amer. Credit Indem.	\$ 17,467	4,635								
Equit. Life, N. Y.	207	6157	No. Amer. Accel.	61,044	28,533	Employers Reins.	1,786	—								
Europ. Gen. Re.	17,248	6157	Ocean Accident	1,894	975	London Guar.	—1,407	111								
Excess, N. Y.	69	—	Ohio Casualty	494	289	National Surety	764	—								
Federal L. & C.	3,983	1,389	Old Line, Wis.	38,775	16,504	Total, 1932	\$ 18,610	4,746								
Federal Life, Ill.	174,966	109,918	Pacific Mutual	529	—	Total, 1931	24,619	15,076								
Fidelity & Cas.	28,961	19,695	Pan-American Life	3	—	STEAM BOILER										
Fireman's Fund	314	—	Phoenix Indem.	3	—											
First Reins.	3,062	1,059	Preferred Accident	37,455	17,474	Aetna Cas.	\$ —108	—								
General Accident	8,602	2,792	Prov. L. & A.	65,315	31,218	Amer. Employ.	1,657	141								
General Indem.	—4	—	Prudential	2,545	785	Amer. Reins.	181	—								
General Reins.	4,399	45,809	Reliance Life	2,872	1,166	Columbia Cas.	318	—								
Gibraltar L. & A.	347	15	Royal Indem.	1,640	967	Cont. Cas.	281	—								
Glens Falls Indem.	11,967	5,758	St. Paul Merc. Indem.	5	—	Eagle Indem.	2,065	—								
Globe Indem.	4,738	951	Security Mutual	7,822	6,703	Empl. Liab.	333	889								
Gr. Amer. Indem.	2,539	608	Sentinel Life	9,748	6,195	Europ. Gen. Re.	13,663	—								
Great North Life	23,509	13,882	Standard Accident	42	—	General Accident	589	—								
			State Farm Life	2,484	—	General Reins.	—237	—								
			Sun Indemnity	270,064	174,590	Globe Indem.	215	—								
			Travelers	51,411	49,187	Hartford St. Boiler	43,398	3,341								
			Travelers Mutual Cas.	171	—	Home Indem.	1,591	—								
			Union Mutual Cas.	2,714	585	International Reins.	86	—								
			United Benefit	15,824	11,959	London Guar.	3,419	304								
			U. S. Casualty	11,610	9,262	Maryland Cas.	5,331	154								
			U. S. F. & G.	1	—	Ocean Accident	3,133	—								
			Wash. Natl.	57,578	45,345											
			Western C. & S.	29,164	27,644											
			Woodmen Accel.	—	—											
			Zurich	—	—											
			Total, 1932	\$2,399,692	\$1,609,979											
			Total, 1931	2,994,669	1,866,972											

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Bonding Lines

Spring

THE SEASON FOR BIRDS, FLOWERS, AND PROSPECTS



NEW flowers are bursting into bloom; new leaves on the trees; new birds in the air; new automobiles speeding down the highway; new houses being built; clothes bought for the Easter parade. It's spring!

This year, as every year, there will be those insurance brokers and agents who will suffer with that dread affliction, Spring Fever. Most of the suffering will be in their pocketbooks.

But for those who have been inoculated by the past few months and are anxious to make of spring a harvest season for new insurance premiums, we have published the current issue of *The Employers' Pioneer* with new ideas in keeping with the newness which spring brings with it.

In it you may also find some old ideas rewritten in a new manner. In it you will find that we consider, among other things, the contractor, not the contractor who

sits dreaming of yesteryear and the time when he was always the lowest bidder, but the contractor who is still doing business, who is still a desirable risk for the company and for the agent or broker.

The spring is the season in which to sell various coverages which are going to be needed more than ever in the summer. The family that will be away from home during vacation will need burglary and fire insurance more than when they are at home, "on guard." The tourist, and there still are those who can afford such a vacation, will need personal property insurance.

If you can afford to have Spring Fever, have it and enjoy it, but if you can't, may we suggest you get the April issue of *The Employers' Pioneer*. It's a good antidote. Send your request to the Publicity Department, 110 Milk Street, Boston, Massachusetts. There is absolutely no obligation on your part.



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PROGRESS against the TIDE!

NINETEEN THIRTY-THREE has opened auspiciously for The Ohio Casualty Insurance Company, with premium income for the first quarter well in excess of the corresponding period of 1932.

This steady progress in the face of adverse business conditions is clear evidence of the growing recognition by agents of the soundness of this company's structure, the saleability of its policies, the efficiency—and the friendliness—of its service.

Agents in unassigned territory, who are considering a new company connection, are cordially invited to write for full details of what Ohio Casualty has to offer.

★ ★ ★

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CHANGES IN CASUALTY FIELD

Spencer Named in Chicago

Becomes Resident Vice-President of
Associated Indemnity, and As-
sociated F. & M.

E. J. Spencer, a Chicago insurance man of 20 years experience and formerly of the Chicago agency of Spencer & Merki, has been appointed resident vice-president in that city in charge of the branch office of the Associated Indemnity and Associated Fire & Marine. This office has supervision over the entire middle west. It is fairly well planted in agencies outside of Chicago and Cook county, but is looking for a general agency connection in that city. Mr. Spencer spent some time at the head office in San Francisco conferring with President C. W. Fellows and other officials before assuming his post.

In the past he was special agent and branch manager for a number of companies. He was for some time associated with Johnson & Higgins' Chicago office in charge of the casualty and surety department for the entire middle west.

Johnson Now Independent

A. R. Johnson has opened an independent adjustment office at 901 St. Paul building, Cincinnati. He started as an adjuster in the Chicago office of the Fidelity & Casualty in 1923 and went to Grand Rapids for that company the next year, in charge of claims in western Michigan. He was for some time with the Republic Automobile of Detroit, handling claims in Chicago, Detroit, Cleveland, and from December, 1931, until quite recently was superintendent of the Cincinnati claim office of the Indemnity of North America and Alliance Casualty, in charge of western and southern Ohio and northern Kentucky.

Take On Associated Companies

SAN FRANCISCO, April 26.—Rolph, Landis & Ellis have been appointed general agents here for the Associated Indemnity and Associated Fire & Marine. The Associated companies replace the Independence Indemnity in the Rolph, Landis & Ellis office. Negotiations, which had been pending for several weeks, were completed just prior to the appointment of a receiver for the International Reinsurance. The new arrangement does not affect the direct agency plant or brokerage business of the Associated companies.

Rolph, Landis & Ellis is one of the oldest general agencies in San Francisco, E. C. Landis having been its active head since 1898.

Joy Remains at Fresno

Thomas K. Joy, who for the past ten months has represented Rapp & Co., general adjusters, as branch manager at Fresno, Cal., announces with the withdrawal of that company from Fresno he will continue to service the casualty companies in that territory. He remains in the Brix building. Mr. Joy has specialized in automobile liability coverages, the greater portion of the past 18 years in the investigation and adjustment of personal injury cases. He was formerly with the Standard Accident home office, later with the Union Indemnity and General Accident in the east, and again represented the last named company in California. He is a member of the newly formed Casualty Adjusters Association of Central California.

Sherwood Manager at Waterbury

H. D. Sherwood of the home office of the Travelers has been named successor to J. E. Leene in charge of the casualty

branch office in Waterbury, Conn. Mr. Leene, who before going to Waterbury was assistant manager in the Hartford branch, has been appointed manager in South Bend, Ind.

Since 1927 Mr. Sherwood has served as assistant supervisor agency field service, casualty lines, in the home office. He joined the company in 1919, and has served as a special agent in Worcester, Mass., where he was appointed assistant manager in 1920. In 1922 he became manager in Vancouver, and in 1924 went to Los Angeles as assistant manager, where he remained until his transfer to Hartford.

Omaha Made Branch Office

The Omaha agency of the U. S. Fidelity & Guaranty has been made a branch office as of May 1, with Fred O. Ochsenbein, for the past year in charge of the agency, named manager of the newly established branch at 750 Omaha National Bank building. Heretofore all business has been written through the Des Moines branch. Now all policies in the Omaha territory will be written in the Omaha branch, reporting direct to Baltimore. Mr. Ochsenbein has been in the insurance business since 1920. Special Agent Stanley E. Amsden will also make headquarters in Omaha.

Fidelity & Deposit Changes

On advice of his physician, the Fidelity & Deposit has granted an extended leave of absence to J. H. Richards, for several years manager of its Memphis branch office. G. W. Crist, Jr., formerly assistant manager at Newark, has taken over the management of that branch.

Paul S. Parris, formerly Newark manager, has been made resident vice-president there and W. L. Lowe, formerly Buffalo manager, has been appointed manager of the Newark branch. Mr. Lowe will be succeeded in Buffalo by D. L. Buckler, formerly assistant manager there.

Work men's Compensation

Wisconsin Rules Ready May 9

William Leslie Attends Milwaukee Meeting on Plan for Pool to Handle Rejected Risks

MILWAUKEE, April 26.—William Leslie, associate general manager National Bureau Casualty & Surety Underwriters; Commissioner Mortensen and H. L. Mount, secretary Wisconsin Compensation Insurance Board, attended a meeting of the governing committee of the Wisconsin Compensation Rating & Inspection Bureau in Milwaukee in connection with plans for handling rejected compensation risks in Wisconsin, following difficulties encountered in the attempt to administer the voluntary plan and the establishment of a compulsory plan involving pooling of rejected risks among company members of the bureau.

Mr. Leslie has made a thorough study of the situation in Wisconsin as well as other states and offered the committee valuable suggestions. There has been a difference in opinion among stock and non-stock representatives on the compensation board, the former favoring amending the rules governing the insuring of undesirable risks so as to make the voluntary plan workable, with reasonable protection to the carriers as well as equitable treatment of the employer. Rules will be set up, according to George F. Hayden, general manager of

the bureau, and presented at the annual meeting of the rating bureau May 9.

EXECUTIVES AGAINST POOL PLAN

NEW YORK, April 26.—Casualty company men are not especially pleased with the compensation writing pool plan proposed for Wisconsin, much preferring the method of handling extra-hazardous risks followed in North Carolina and certain other states. As a matter of fact managerial sentiment is opposed to any plan for the compulsory acceptance of risks, maintaining that each company should be privileged to exercise its own underwriting judgment in such connection. The experience either by individual offices or through the medium of association in the handling of risks subject to what is termed the "catastrophe hazard" over a series of years has been unsatisfactory, and for that reason primarily stock men fail to enthuse over the mandatory writing program proposed for Wisconsin and in operation in Minnesota.

Rejected Risks up to Companies

The head offices of casualty companies operating in Illinois have been furnished with copies of the plan for handling so-called rejected compensation risks in that state. The plan has been approved by P. J. Angsten, chairman of the Illinois industrial commission. The companies are asked to give this plan their earnest and immediate consideration. When a majority of companies have signified a willingness to operate under the plan, the scheme will be put into effect.

PERSONALS

Randolph J. Mullen, district agent at Indianapolis for the American Credit Indemnity, was married recently to Miss Elvera Meiselwitz, at Kiel, Wis.

Norman Hoag, newly elected vice-president of the Continental Casualty, who was formerly vice-president of the Union Indemnity in charge of the eastern business in New York City, will locate in Chicago starting next week, taking up his work with the home office agency department.

H. E. Critchfield, secretary of the group department in the home office of the Travelers since 1925, has been appointed chief adjuster and secretary of all of the claim departments of the Travelers companies under direction of William Brosmith, vice-president and general counsel.

Mr. Critchfield is a native of Ohio, a graduate of Ohio State University law school and a member of the bar. After practicing two years he became an investigator of the Travelers claim department in 1910 and two years later was made claim adjuster at Columbus, O. In 1914 he went to the home office as claim examiner in the life and accident claim department. When the Travelers began writing casualty lines in California, Mr. Critchfield was transferred to the coast to establish a claim organization for those lines and to take charge of all claim work west of the Rockies. In 1919 he returned to the home office as an assistant to Vice-president B. A. Page. In 1922 he was made assistant secretary of the group department and in 1925 secretary.

W. Freeland Kendrick, former president of the Commonwealth Casualty and vice-chairman of the board of the Independence Indemnity, has announced that he will oppose United States Senator James J. Davis in next year's primaries if he is given organization support. Mr. Kendrick is a former mayor of Philadelphia.

Edward T. Haynes, formerly assistant general attorney for the Washington

claim division of the National Surety, has strong backing for appointment as one of the assistants to the attorney general of the United States. While with the National Surety he had charge of claim adjustments in the District of Columbia, Maryland, New Jersey, Virginia, North Carolina and South Carolina. He is now practicing law with offices in Richmond and Washington.

Vice-president F. P. Stanley of Lloyds Insurance Company was in Chicago for a few days and has gone on a trip with R. S. Chaloner, casualty manager in the Chicago branch office, to visit general

agencies in Milwaukee, Madison, Wis., and Minneapolis.

President Morgan B. Brainard of the Aetna Life was a visitor in Chicago, going especially to attend a meeting of directors of Swift & Co., and then returning to Hartford after a short visit with General Agent R. S. Edwards.

Los Angeles Club Meets

LOS ANGELES, April 26.—G. F. Houghton, Hartford Accident, presided at the meeting last week of the Casualty Association of Los Angeles, de-

voted mainly to a discussion of revision of automobile territorial divisions of non-conference operators in southern California. There was also some discussion of school bus business and the probability of increasing commissions on it from 10 to 17½ percent as a result of the satisfactory experience during the past few years.

The Lloyds of America has been licensed in Canada with H. Begg, Toronto, as chief agent. This company was formed by the merger of Lloyds Casualty Company and the Constitution Indemnity Company, formerly registered with the Department and the Detroit Fidelity and Surety Company, Detroit, Mich.



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WRITE
P. W. PICKERING
Secretary

NEWS OF THE COMPANIES

General Indemnity Is Sold

Rochester, N. Y., Company Purchased
by Lloyds of New York—Living-
ston Is Elected President

Subsequent to acquisition of control of the General Indemnity of Rochester, N. Y., by Lloyds of America, Charles D. Livingston was elected president of the General Indemnity. Mr. Livingston, former commissioner of Michigan, is president of Lloyds.

The General Indemnity was previously owned by the International Reinsurance and was the only one of the Carl Hansen companies that was not absorbed in the International.

The General Indemnity until a year or so ago confined its activities exclusively to selling check forgery insurance in connection with an anti-forgery device, which was distributed by interests identified with the General Indemnity. Then the General Indemnity reinsured the General Casualty & Surety of Detroit and entered the casualty business on a broader scale. However, when Mr. Hansen acquired control of the General Indemnity, that company reinsured its business 100 percent in the International Reinsurance and again confined its activities exclusively to check forgery writing.

Executive Personnel

In addition to Mr. Livingston, the other officers of the General Indemnity are now about the same as the executive staff of the Lloyds of New York. The board of directors is composed of interests identified with Lloyds and with the Todd Company, which organized the General Indemnity in 1914. The directors are: Mr. Livingston, Frank Cohen, M. Daniel Maggin, R. J. Daly, P. F. Biglin, Carl Sherman, C. D. Culpepper, C. H. Mahan, V. J. Sincere, L. S. Pounds, R. K. Meneely, J. A. Stack, Franklin Berwin, W. L. Todd, C. B. Moser, D. C. White, E. L. Wait, G. C. Lee and G. J. Tuttle.

The new owners of the company state that it will continue to be operated as a specialist in forgery and check alteration bonds. Announcement is made that steps will be taken to provide for all policyholders and claimants as soon as the company's books can be straightened out. Mr. Maggin said as soon as an audit of the books is completed a new financial statement will be issued. He said all reinsurance and other arrangements with the International Reinsurance were canceled before the General Indemnity was acquired by Lloyds.

The claim of the Lloyds of America against the International Reinsurance was liquidated through the transfer to it of 100 per cent of the stock of the General Indemnity. As the arrangement was fully effected prior to the naming of a receiver for the International Reinsurance the question as to preferred treatment probably will not come up.

Penn General Is Sold

C. P. Love of Baker, Weeks & Hardin of New York has purchased control of the Penn General Casualty of Philadelphia, some 45,000 of the 50,000 shares of outstanding stock having been transferred. Mr. Love was elected president of the company; H. E. Brennick of Speyer, Alexander & Co. of New York, secretary, and P. S. Ferguson of Ferguson, Serling Daniels & Porter, New York, treasurer.

A running mate of this company, the Penn General Fire, which wrote a joint automobile policy with the Penn General Casualty, was merged recently.

The Penn General Casualty was started in 1917 as the Pennsylvania Bituminous Mutual Association, which became the Pennsylvania Bituminous

Casualty in 1922 and the Penn General Casualty in 1929. Harry Boulton, who resigned as president, was formerly president of the American Reinsurance.

U. S. F. & G. Losses Lower

BALTIMORE, April 26.—At a meeting of directors of the United States Fidelity & Guaranty, President E. Asbury Davis stated that its losses the first quarter of 1933 were approximately \$2,000,000 less than in the same period of 1932. Expenses decreased \$650,000 while \$72,584 was added to surplus. Over and above the adequate required reserve of \$34,000,000, the company carries additional voluntary contingent reserves of \$3,625,000.

Depository lines now represent a very small part of its business. Practically all of the banks so covered are now open on an unlimited basis.

Standard Ranked Eighth

In the Automobile Number the Standard Accident was left out of the list of the first ten automobile stock casualty leaders by mistake. With a premium income of \$7,009,198 it should have ranked eighth.

Establish New Claim Index Office to Cover Northwest

NEW YORK, April 26.—An index office is being established in Minneapolis with jurisdiction over claim checking in Minnesota, Nebraska, Wyoming and the Dakotas. Nineteen stock casualty companies affiliated with the National Bureau are backing the new office and it is anticipated that more companies will join later. The service enables both insurance companies and self-insurers to reduce fraudulent claims. The Minneapolis bureau is the fourth which has been established within the past two years, most of the country now being covered.

Automobile Business Gives 3 Percent Profit in 1932

NEW YORK, April 26.—An underwriting profit of 3 percent on automobile writings was realized last year by the casualty companies reporting to the New York department, according to the experience table compiled by J. J. Magrath, chief of the rating bureau. Total earned premiums were \$225,799,082, upon which an average loss ratio of 49.8 percent and expense ratio 47.2 percent was sustained, reversing the 1931 record, when with premiums \$254,835,594, the loss ratio was 53.9 percent and expense ratio 49.1 percent, producing an underwriting loss of 3 percent.

Separated as to classes, public liability premiums last year were \$170,345,247, loss ratio 55 per cent, expense ratio 47 percent, underwriting loss 2 percent, property damage premiums \$48,879,438, loss ratio 32.4, expense ratio 48.2, underwriting profit 19.4, collision premiums \$6,574,397, loss ratio 43.2 percent, expense 45.0, underwriting profit 11.8 percent.

Had Operation

NEW YORK, April 26.—F. Robertson Jones, general manager of the Association of Casualty & Surety Executives, is in a hospital here, where he was taken Monday to undergo an operation for appendicitis. He was stricken several days previously and failing to yield to treatment was rushed to the hospital for an immediate operation.

Claims Stirred Up in Disease Cases

(CONTINUED FROM PAGE 31)

that the practice of attorneys has decreased they are endeavoring to work up damage cases against employers where occupational diseases are involved. He said it is easy to find what might be some breach of common law, some violation of safety regulations, and where they go before juries the recovery is usually gotten. It is not so difficult, said Mr. Rolfe, to get a physician who will tie the malady up with the work in a plant. The companies now have no right to have the employee examined by their own physician. He said there is a bill now before the Illinois legislature giving this right and he thinks that it may pass. Mr. Rolfe said that personal injury attorneys have runners go to a town where there are industrial plants and get acquainted with employees. They pick out people that seem to have contracted some malady, secure a doctor who will give a diagnosis that the disease is due to the occupation and then claim is made. Mr. Rolfe said that this movement is now nation-wide. It started in Missouri when the workmen's compensation law was passed recently. The attorneys who have made a practice of pressing employers under the common law now turn to occupational disease.

Bill Before Illinois Legislature

Mr. Rolfe said that in the Illinois legislature House Bill 433 would repeal the occupational disease statute and place all diseases of this character under the industrial board and make them compensable. He gave it as his opinion that this bill would not likely pass but he thinks that there may be some occupations added to the present three.

Mr. Rolfe was asked whether dermatitis contracted by workmen coming in contact with cement would be covered under the compensation act. He said that the time element would control. If a man did not contract this for some time, although he was working in cement, a company would not be held liable. If, on the other hand, it developed in a short time after he started working, he gave it as his opinion that a company would be held liable. Mr. Rolfe said that the older men in industry present a serious problem because high verdicts are usually rendered in such cases.

International Re End No Surprise

(CONTINUED FROM PAGE 31)

ness of the smaller companies in the middle west, but not much headway was made. Most of the company's reinsurance business was in the nature of excess of loss coverage for self insurers for compensation and public liability. The International also entered into various unorthodox arrangements that are cropping up all the time in the reinsurance field. For instance, the International, together with the Federal Surety, guaranteed the price at which shares of the defunct Chicago Fidelity & Casualty were accepted by stockholders of the defunct Automobile Underwriters of Dallas in the purchase of the Dallas company by the Chicago concern. A \$500,000 liability was created for the International Reinsurance when the Darby Day promotion collapsed, but through various maneuvers, the obligation was avoided.

The International Reinsurance, with some exceptions, was not able to hold the agency forces of the companies that were taken over to any great extent. Most of the agents permitted the liability to run off. Some of the old Independence Indemnity agents, however, stayed until the end. Mr. Hansen in

causing the crash of several companies to be deferred undoubtedly permitted many agents to escape considerable loss.

A few weeks ago Mr. Hansen visited personally a number of the old general agents of the Independence Indemnity and convinced some of them that the International Reinsurance was all right. A flashy campaign for business was conducted in honor of "Hansen Month."

The International Reinsurance had taken over or its reinsured companies had taken over the American Guaranty of Columbus, Connecticut Plate Glass, Atlas Casualty of Fort Wayne, Republic Casualty & Surety of Chicago, Union Automobile Casualty of Los Angeles, Public Indemnity, Commonwealth Casualty, Liberty Surety Bond of Trenton, Independence Indemnity, American Mine Owners, Hudson Casualty, Underwriters Casualty of Milwaukee, Georgia Casualty, Calumet Casualty of Chicago, General Casualty & Surety of Detroit and General Indemnity. The last named company was the only one that continued under its own steam and it has now been purchased by Lloyds of New York.

There was always much speculation as to where Mr. Hansen got his financial backing that permitted him to acquire control of so many companies.

One theory was that he was financed by Danish interests, Mr. Hansen being a native of Denmark. However, many of his transactions were completed without the use of real money. There would be a stock transfer or a company would be purchased under contract, with the loan transferred back and forth. In some cases, where the company taken over was in such bad shape that the owners could hope to get nothing out of it, Mr. Hansen created jobs for some of the officers of the reinsured company.

Receivers in Pennsylvania

The three receivers of the company were also appointed temporary ancillary receivers in Pennsylvania by the United States district court in Philadelphia. They are authorized to conduct the business under supervision of the court for 90 days.

Superintendent Van Schaick was directed to take possession and conserve the property and assets of the International Reinsurance under an order signed by Supreme Court Justice Gavan of New York. Application for the appointment was made by Attorney-General Bennett.

Commissioner Mitchell of California has filed a petition in the federal court in Los Angeles asking that the California department be appointed receiver for the International Reinsurance in California.

The California department stated that papers had been prepared, prior to the appointment of receivers in Delaware, for the purpose of taking over the company. This prospective action was based on informal investigation, but the department explained that under the California law definite and conclusive proof of trouble had to be presented in order to have a receiver appointed and such proof was impossible to obtain owing to the noncooperation of the officers. California insurance people believe that the crash of the International was precipitated by the action of the California department some time ago in suspending the company's rights to transact compensation business in the state because of inability to post acceptable bond. The International Reinsurance operated in California without a bond since the failure of the Union Indemnity.

The report was that last Friday, during the controversy over this California bond, Mr. Hansen warned Mitchell by telegraph that he would be held responsible for any subsequent happenings due to suspension of the license in California.

Because of Mr. Mitchell's stand in this controversy, he has gained considerable

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able support and there is some chance now that he may be reappointed commissioner. His term expired this month.

Practically all of the automobile public liability insurance for state automobiles was placed through the general agency of Rolph, Landis & Ellis of San Francisco in the International Reinsurance. The report is that this business has now been rewritten in the Employers Liability.

The conditional license of the International Reinsurance to renew existing compensation policies in Kentucky has been revoked by Commissioner Senff.

The company's business in Kentucky, Mr. Senff said, was principally coal mine compensation insurance.

On petition of Joseph Mauk and F. H. Fanseen, Circuit Judge Stump appointed ancillary receivers in Maryland for the International Reinsurance. The receivers are Mr. Fanseen, R. L. Bandler and Carl M. Hansen.

Earle Stewart, manager of the Underwriters Service Association at Columbus, O., has been appointed receiver for the International Reinsurance by the common pleas court of Franklin county, on application of Henry A. Williams, an attorney of Columbus.

The International Reinsurance has been cited to appear before the Virginia state corporation commission May 2 to show cause why its Virginia license should not be revoked. The company has \$46,000 on deposit in Virginia. The Virginia highway department carried its automobile liability insurance in the International Reinsurance. Several years ago the department had this insurance in another company that went to the wall. Awards for this business are made on the basis of the lowest bids.

J. A. Frates and Walter Hartley, both of Tulsa, were appointed ancillary receivers in Oklahoma for the International Reinsurance. The company had not been relicensed in Oklahoma for 1933. T. Dana Roberts, representative in Oklahoma City, stated he had reinsured all of his business in the Aetna Casualty for which he has been appointed agent.

H. B. Hershey, official liquidator for the Illinois insurance department, is receiver for the International Reinsurance in Illinois. The Chicago branch is now immediately in charge of Frank Bartch, former secretary to Frank Matre of the defunct Marquette National Fire, who has been attached to the Illinois department since the failure of that company. The Chicago manager of the International Reinsurance was William Cusick. B. P. Whitehead, who represented the International in its reinsurance operations, had headquarters in Chicago also.

James A. Beha, general manager National Bureau of Casualty & Surety Underwriters, has notified members that short term policies for the unexpired portion of outstanding business of the International Reinsurance can be written

on a pro rata basis at current bureau rates. This does not apply to the General Indemnity, however.

The International Reinsurance some months ago was attacked in lurid style in a Philadelphia sheet published by Clement Congdon. Several issues were devoted to this attack and they were widely distributed among insurance men. This campaign damaged the International considerably, inasmuch as it caused doubts in the minds of many agents, although the articles were largely discounted because of their viciousness.

Sheriff H. R. Petty of Louisville; J. J. Kunz, Louisville director of finance, and S. M. Burger, city tax receiver, have been left without necessary bonds for the second time this year. They were bonded in the Union Indemnity and when that company failed, patronized the International.

While the failure of the International Reinsurance was not a surprise, there was just a chance that Mr. Hansen might be able to secure a loan from the Reconstruction Finance Corporation, with which he was negotiating. Apparently the application was denied and collapse was then inevitable.

The general understanding is that so long as the International restricted its operations to a strictly treaty business it was successful. Not satisfied to grow slowly, however, Mr. Hansen sought substantially to increase premium income by engaging in the direct writing line through the purchase of subsidiaries, each of which in turn had absorbed other lame ducks. This procedure, as the business viewed it, marked the beginning of the end. The company centered its attention upon the settlement of a number of large claims, using up its liquid funds.

Claim Reserves

The history of casualty insurance is full of cases where companies taken over by stronger institutions are found to have underestimated their claim reserves, and while the fruits of such policy are not revealed under an increasing premium income, at once the income remains level or falls off, the inadequacy of the reserves becomes apparent and the reinsurer pays the penalty. The International was embarrassed through collapse of the Union Indemnity, with which it had a reinsurance arrangement. The International wrote compensation bonds in many states for the Union and the Union furnished the same service for the International. When the New Orleans company went into receivership it became necessary for the International to furnish another indemnitor, a demand met in New York by putting up mortgages. Until this arrangement was effected the International ceased transacting compensation business in New York, its management stating that it was dissatisfied with its experience in the state.

The International, Independence Indemnity, Public Indemnity and perhaps others of many companies that the International absorbed, directly or through inheritance, maintained special deposits in a number of states having such requirements. These funds, however, may not be used for the payment of claims or current expenses, and now that receivers have been named will be held for the benefit of home creditors only.

The Indiana department has put up to the attorney general the question of having an ancillary receiver appointed for the International Reinsurance. The Indiana highway and public service commissions are interested, as a large volume of bonds on state projects are reinsured in that corporation through

the Independence Indemnity which withdrew from Indiana about the first of the year.

When receivers were appointed in Delaware, the four states that had started an investigation of the corporation withdrew their examiners, those of the New York department being assigned to other work in Philadelphia.

At the close of 1932 the International reported total assets of \$25,302,333 with liabilities of \$22,302,333, leaving capital of \$1,500,000 and surplus of equal amount. The premium income last year totalled \$10,737,933 while \$4,672,982 was paid for losses. The company has deposits aggregating \$1,755,600 with 14 states.

"Time Saver" Shows Change in Accident-Health Policies

(CONTINUED FROM PAGE 32)

An increase in use of aggregate disability indemnity clauses makes the Time Saver more valuable than ever, because it is possible with the use of the book to determine the exact terms of this provision. Some of these aggregate indemnity limitations apply to a single claim only, others are cumulative in effect. Only an exact knowledge of the aggregate indemnity provision enables the agent to interpret the policy correctly. A complete showing on riders and the rates charged for their use is included in the Time Saver, information which enables the agent to identify the policy or coverage held by a prospect or client. Elimination period rates are shown in detail for both accident and disability policies. The Time Saver analysis also shows for each policy what form of Standard Provision 1 is used, the prorating or non-prorating; the terms of Standard Provision 10 and definite statements on whether or not Standard Provisions 16, 17 and 19 are included.

A policy names index and an explanation of the use of the book covering 15 pages make it easy to get the greatest value possible out of the information in the Time Saver. There are 684 pages in the 1933 edition, printed on bible thin paper and bound in flexible red Keratol.

Seeks to Restrain Dissolution

TRENTON, N. J., April 26.—The Aetna Casualty has filed suit in the supreme court here to restrain Commissioner Kelly from approving dissolution of the Liberty Surety Bond. The Aetna is a creditor of the Liberty and asks to restrain the release of certain securities which have been posted with the commissioner.

The Aetna entered into reinsurance agreement with the Liberty Surety in 1926 and in settlement of certain claims has expended \$17,773. The Liberty Surety was taken over by the Independence Indemnity, which in turn was taken over by the International Reinsurance, which is now in the hands of receivers.

Hooper Named Manager

Swift Hooper, Jr., former life insurance agent of Winston-Salem, S. C., has been appointed general agent at Columbia, S. C., by the Mutual Benefit Health & Accident and United Benefit Life of Omaha. He has been an agent and claim man of the Mutual Benefit seven years.

J. G. Yost, assistant secretary and production manager of the Fidelity & Deposit, met with a serious accident at his home in Baltimore Monday. While replacing an electric light bulb on the ceiling he fell, fracturing some vertebrae necessitating the application of a plaster cast which probably will confine him to bed for several weeks.

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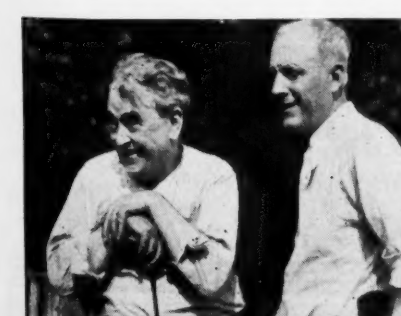
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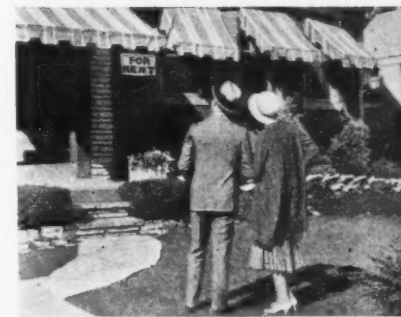
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